

The NATIONAL UNDERWRITER



Service

insurance-wise enables you to crash through "sales resistance" and "ace" your competitors' efforts.

Speaking of timely **service**, have you told your clients and prospects about seasonal lines like Automobile, Personal Effects, Rain Insurance, Golfers' Equipment? We will gladly furnish you attractive literature and selling suggestions on these covers. Write our Business-Building Department, 150 William Street, New York.



THE MERCANTILE INSURANCE COMPANY
OF AMERICA

WRITING FIRE AND 47 RELATED COVERS

THURSDAY, JULY 1, 1937

Security for American Property Owners Since 1841



The Declaration of Independence was unanimously adopted July 4, 1776 by the "Representatives of the United States of America in General Congress assembled," familiarly known as the "Continental Congress."

The signers of this historic document were representatives of those seeking SECURITY from the hazards of despotism—known and unknown.

Security

Today, as then, everyone is seeking SECURITY. The SECURITY INSURANCE COMPANY of NEW HAVEN has furnished SECURITY since 1841 and has built a strong, dependable institution on sound, progressive New England principles.

Do Business with a Strong American Stock Company Operating Through Responsible Agents

HOME OFFICE
NEW HAVEN, CONNECTICUT

1841

Security
Insurance Company
OF NEW HAVEN, CONNECTICUT

WESTERN DEPT.
ROCKFORD, ILLINOIS

The East and West
Insurance Company
OF NEW HAVEN, CONNECTICUT

PACIFIC DEPT.
SAN FRANCISCO, CALIF.

The Connecticut
Indemnity Company
NEW HAVEN, CONNECTICUT

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Forty-first year. No. 26. Thursday, July 1, 1937. \$4.00 a year, 20 cents per copy. Entered as second class matter, April 25, 1931, at post office at Chicago, Ill., under act of March 3, 1879.

Order Expulsions in the St. Louis Row

**C. L. Crane Agency Is Ejected
from Board by Execu-
tive Committee**

MANY OTHERS AFFECTED

**Decisive Action Is Taken in the Sensa-
tional Controversy Concerning
Marsh & McLennan Move**

ST. LOUIS, June 30.—The executive committee of St. Louis Fire Underwriters Association at its meeting this morning voted to expel from membership these class 1 agencies:

C. L. Crane Agency Co.
F. H. Kreismann.
Case, Thomas & Marsh.
Harkins Son & Co.
Wm. J. Studt.
C. J. Burde.
Gatch-Tennant & Co.

Crane and Kreismann had notified the board they would not resign the companies in their agencies that are also represented by Marsh & McLennan-Case, Thomas & Marsh.

The rest had not replied to the questionnaire.

These class 2 agencies were expelled: Yeckel-Earickson, representing Firemen's and New Brunswick; David Caruthers, Home; Theodore E. Keiser, Pacific National Fire; Harold C. Simon & Co.; Carl G. Stifel Realty Co.; E. H. Stoltman Real Estate Co.; Geo. Wanstroth, Jr.; E. F. Wrisberg Real Estate Co.

The suspended members have 10 days in which to appeal. If the committee's decision stands, then the companies in those agencies will be officially notified.

The committee directed that a statement be drafted regarding the attitude of certain companies in the situation involving Article 4, Sections 6, 6A, and 6B, of the constitution. Copies will be sent to National Association of Insurance Agents. The theme will be that certain companies are so lured by big chain store accounts, etc., that they are unwilling to conform to rules of local boards.

A. L. McCormack, Crane agency, appeared before the committee this morning to explain and champion his position.

ST. LOUIS, June 30.—The executive committee of the St. Louis Fire Underwriters Association went into session this morning, prepared to act on the issue created by the move on the part of the powerful Marsh & McLennan agency and brokerage concern of Chicago to take root in the St. Louis soil. A meeting of the executive committee was scheduled for last Wednesday at which time those members were to have

(CONTINUED ON PAGE 14)

Factory Mutuals Caught in Apex Hosiery Sitdown Loss

COVERED UNDER TWO FORMS

**Physical Damage \$75,000-\$100,000, U. &
O. \$35,000-\$40,000—Settle General
Motors Flint Loss**

The claim of General Motors Corporation against Aetna Fire under a riot and malicious mischief policy on account of damage done by sit-down strikers in the Flint, Mich., Chevrolet plant has now been settled for \$95,000. This is to the satisfaction of both parties. Western Adjustment handled the negotiations.

PHILADELPHIA, June 30.—The loss to the factory mutuals, insurers of the Apex Hosiery Company here, as a result of damage done by strikers, is now roughly estimated at from \$75,000 to \$100,000 in respect of direct physical damage and a maximum of \$35,000 to \$40,000 under the U. & O. policy.

The factory mutuals in April made available to assured a broad form of riot coverage, including damage done by sit-down strikers. This is known as form B. Apex Hosiery had carried form A, the limited cover, and on May 6 purchased form B.

Some newspaper dispatches gave the impression that the damage done by sit-down strikers amounted to \$3,000,000. That is the amount that is sought in federal court here by Apex Hosiery in a suit against American Federation of Hosiery Workers. It includes \$50,000 damage due to breaking of doors and windows and smashing of office furniture; \$100,000 for disabling of machines and destruction of records; \$300,000 due to inability to ship out finished hosiery; \$50,000 fixed charges; \$500,000 loss of good will, canceled contracts, etc. Those items amount to \$1,000,000 and the attorney is asking for treble damages under the Clayton act of 1914.

Many Machines Damaged

Labor conditions have been strained at Apex Hosiery since early in May. For six weeks the plant was possessed by sitdowners and was surrounded by pickets. The sitdowners were ordered out June 22 and on June 24 the management and insurance people were able to get into the plant. They discovered that of the 360 machines, 131 had been damaged.

The factory mutuals are undertaking to effect an adjustment even though the strike has not yet been settled, in order to reduce the U. & O. loss as much as possible. The maximum U. & O. liability is \$3,000 a day. With one-third of the machines out of commission, the actual U. & O. loss would be about \$1,000 a day if the plant were operating under normal labor conditions.

It is estimated that six weeks will be required to repair and replace the damaged machinery. If that work can be started now and if the strike should not be settled before six weeks, it is likely the factory mutuals would deny liability under the U. & O. policy. That is, they would consider the insurable period of interruption as that running from the date when normal operations prevail

(CONTINUED ON PAGE 14)

What Prompts Statement Agency System on Trial?

GRANNATT ASKS QUESTION

**In Talk to Ohio Men; He Questions
Whether There Is Any Real
Demand for Change**

M. H. Grannatt, assistant U. S. manager Royal-Liverpool, in addressing the midsummer conference of Ohio Association of Insurance Agents at Cedar Point, referred to the fact that many utterances are being heard these days to the effect that the agency system is on trial. He



M. H. GRANNATT

said he is interested in what prompts these utterances. Perhaps it is that every institution is being affected by the post-depression demand for change, which has now become the by-word.

Stock fire insurance stood resolute during the depression, he observed. The faithful agents carried on courageously. The competent local agent is giving full value for the price, he said. There is no reason for change in the system.

Is Public Dissatisfied?

He inquired whether the public is dissatisfied. He suggested that the idea of challenging the value of agency service may be propaganda of brokers. Perhaps it is that there are too many companies and the agency franchise has lost much of its value. Perhaps it is that some companies operating on the agency plan are jealous of the success of branch office operators.

If change is in order, he inquired whether company practices ought not also to be challenged. He asked whether the companies could not fairly be asked to cooperate in bringing about a sole agency situation; whether they should not be called upon to eliminate unqualified agents; whether they should not agree not to appoint incompetents; whether they are not censurable in appointing agents known to have been delinquent in the past; whether they could

(CONTINUED ON PAGE 14)

Bulkley Head of New England Body

**Fire Insurance Rating Association
Is Now Formally
Organized**

GOVERNORS ARE CHOSEN

**Will Now Have Jurisdiction Over Five
States in That Section of
the Country**

BOSTON, June 30.—A meeting of the special Boston committee of the Eastern Underwriters Association was held Tuesday for the purpose of organizing the New England Fire Insurance Rating Association, 169 stock fire companies being represented. They unanimously adopted the proposed by-laws of the association, with amendments as recommended by the organization committee following conferences with interested boards and committees.

Governors Were Elected

The meeting then elected a board of 15 governors, as provided for in the by-laws, as follows:

G. G. Bulkley, president, Springfield Fire & Marine; W. R. Hedge, president, Boston; W. E. Maynard, vice-president, Providence Washington; Guy E. Beardsley, vice-president, Aetna Fire; F. C. Hatfield, vice-president, Phoenix of Hartford; M. G. Wight, secretary, Hartford Fire; J. D. Smart, vice-president, New Hampshire Fire; W. B. Rearden, vice-president, Firemen's; H. H. Clutia, president, Northern of New York; C. C. Hannah, eastern manager, Fireman's Fund; J. V. Herd, vice-president and secretary, Fire Association; A. E. Murdock, secretary, North British & Mercantile; C. L. Purdin, manager, New England department, Liverpool & London & Globe; H. V. Smith, president, Home; W. F. Dooley, vice-president, America Fore.

It was unanimously voted that the board of governors be authorized and empowered to take the steps necessary to carry out the purposes of the association and to name the date on which it becomes effective.

Bulkley Made Chairman

Immediately following the adjournment of the organization meeting, the board of governors met and organized, electing as chairman, President Bulkley, of the Springfield F. & M., and as vice-chairman, Mr. Beardsley of the Aetna Fire.

This association is formed for the establishment of insurance rates on all classes of properties, and rules and regulations in connection therewith, for Maine, Vermont, Massachusetts, Rhode Island, and Connecticut.

The companies decided to set up this organization despite the opposition of Boston agents, who fear the Boston Board's standing will be impaired.

Extensive Public Relation Work Is Urged in Wisconsin

DACHENBACH IS PRESIDENT

Agency Balances Improved—Cooperation with Rating and Actuarial Bureaus Asked—Larkins Reports

At the Wisconsin Fire Underwriters Association's annual meeting at Elkhart Lake, Wis., satisfactory progress was reported in the expansion of public relation work, improvement in the agency balance situation, and in legislative activities.

Commenting on the excellent work

NEW OFFICERS ELECTED

President—C. H. Dachenbach, state agent Crum & Forster, Milwaukee.

Vice-president—D. W. Swanson, St. Paul Fire & Marine, Milwaukee.

Secretary-treasurer—H. C. Busack, Norwich Union, Milwaukee.

Chairman executive committee—Thomas Larkins, Hartford Fire, Milwaukee.

New executive committeemen—George Peacock, Agricultural, Milwaukee, and J. C. Qualmann, Phoenix of Hartford, Milwaukee.

done by H. J. Girard and his public relations committee, Thomas Larkins, Hartford Fire, the retiring president, said the organization of county boards has progressed satisfactorily. "There is no mystery to our business," Mr. Larkins said, "but we have been guilty of leaving too much to the imagination of the public. The old adage that 'a man is suspicious of that which he knows nothing about' is very pertinent to our work. We are selling honest protection and we should tell our story to the world. Insurance must not be the football of partisan politics or incompetent public officials."

During the past year association officers made a special effort to clear association agencies. The number of agencies now subject to classification is at a minimum.

Less Delinquency

The delinquent agency balance rule appears to be working out satisfactorily, according to Mr. Larkins. With one exception, all members are now reporting delinquent balances. During the past year fewer balance meetings were called than usual. The number of delinquent balances reported in June was about 100 less than for the same period last year.

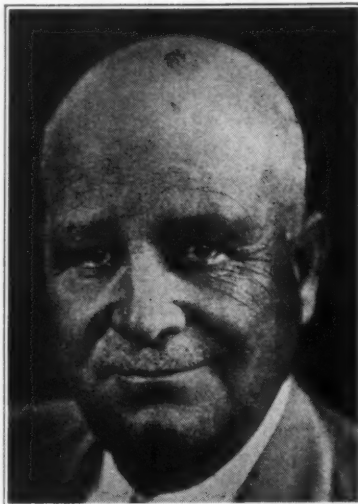
The Fire Insurance Rating Bureau has been made the source of service on public property, said Mr. Larkins. This has seemed to work out very successfully in securing public business.

Many legislators are not insurance-minded, but they welcome honest information, Mr. Larkins said. During legislative off-years, the legislative committee should be a clearing house in matters in conjunction with the insurance commissioner's office. Commissioner Mortensen has done an excellent job, said Mr. Larkins. "He has been eminently fair and has welcomed conferences with men who are familiar with the insurance business. If a committee could have discussed the classification proposition with him, the matter could have been ironed out with much less difficulty. During the past year he has proven not only willing but anxious to discuss with us the subject of marine insurance."

Appointment of a permanent committee or instructing the contact committee to work in closer harmony with the fire insurance rating bureau and the actuarial bureau was recommended. The men on the firing line are in good position to know the wants of the insuring public and to meet competition, it was

(CONTINUED ON LAST PAGE)

Tables Were Turned on Famous Freeport Host



F. M. GUND

F. M. Gund, western manager of the Crum & Forster group at Freeport, Ill., was taken completely by surprise at a party given by him for 10 employees of the western department that have completed 25 years in the service of Crum & Forster.

Mr. Gund himself had just recently completed 25 years with Crum & Forster and there was a well conceived conspiracy to turn the tables on the host.

The dinner was attended by about 70. Mr. Gund presided and presented to each of the 10 employees, seven men and three women, a watch. He then called upon Harold Junker, vice-president at the head office, and Mr. Junker surprised the host by presenting him with a silver coffee service in behalf of the western department employees and with a testimonial booklet containing the signatures of every employee.

Mr. Gund was overwhelmed and was unable to make a response. During the day he had received several hundred telegrams, telephone calls and letters

Indiana Fire Underwriters Stage Annual Convention

G. L. HEINZ IS PRESIDENT

L. E. Falls Speaks on Agency Problems and H. M. Greenberg Gives the Adjuster's Viewpoint

L. E. Falls, first vice-president American of Newark, at the annual meeting of the Indiana Fire Underwriters Association last week at Lake Wawasee, spoke on "What Is a Good Agent?" He gave advice on perpetuation of local agency plants.

"Every 15 years, on the average, we

NEW OFFICERS ELECTED

President—G. L. Heinz, Springfield F. & M.

Vice-president—G. W. Mercier, Hanover.

Secretary-treasurer—Miss Elizabeth L. Cooper.

The executive committee will be appointed later by the president.

have to reappoint our agency plants," he said. The various disintegrating influences are constantly in operation to make this necessary, including death, moving of agents from one locality to another, and failure in business from

(CONTINUED ON LAST PAGE)

and many of his friends had sent flowers.

The next evening Mr. Gund gave a garden party at his home for employees and their families.

This week Mr. Gund went to New York and on Wednesday was the guest of the directors at a party on the yacht of President J. Lester Parsons. He was then presented with a handsome watch. Mr. Gund became connected with Crum & Forster as western manager when C. & F. absorbed the old Williamsburg City of Freeport of which Mr. Gund was western manager. Previously he had been secretary of the German of Freeport.

Michigan Legislature Passes Agency Qualification Bill

DEPARTMENT BUDGET UP

Mutual Assessment Measure Passes—License Act Exempts Rural Agents From Examinations

LANSING, MICH., June 30.—Hopes of the Michigan Association of Insurance Agents were belatedly realized when the state legislature, on the final night of the session, passed the Brooks-Weadock agents' qualifications bill. The measure encountered difficulty in the house insurance committee but was finally approved by a comfortable margin.

The new act, which still requires the approval of Governor Murphy, requires that every new applicant for fire or casualty agent's or solicitor's license from an incorporated city or village, must pass a written examination to be given by the insurance commissioner. The applicant must pay a \$5 fee. By limiting the act to incorporated areas, farmers' mutual representatives in rural territory are exempted. Present licensed agents may renew their authorization without being submitted to a test unless the commissioner chooses to require it. Life and health and accident agents also come under the discretionary provision of the act.

Wary of Broad Bill

Most of the house debate on the bill centered around an unsuccessful attempt to broaden scope of the act to include other types of agents and all territory. Organized fire and casualty agents, principal proponents of the bill, had felt from the first that an all-inclusive measure would be defeated so their friends in the house opposed such a change and prevented it before the measure came to a final vote.

The new act will not become effective until Nov. 1. Much of the credit for passage of the act is being given to Clyde B. Smith, Lansing, former president of the National Association of Insurance Agents and chairman of the state association legislative committee, and Sen. George Weadock, Saginaw, co-sponsor of the bill.

Mutual Bill Passes

"Delayed assessments" by farm mutuals operating in Michigan will be prohibited after Jan. 1, 1942, under terms of the Mullen act passed during the final week of the session. The new act, backed by department officials and by the Michigan Association of Mutual Insurance Companies, eventually outlaws the practice among farm mutuals of making a general assessment against the membership each year to defray the expense of losses. Responsible executives of the mutuals must estimate losses and make provision for sufficient pre-payments to meet probable loss.

Barring a possible slash in all departmental appropriations by Governor Murphy, who was given that power, the Michigan insurance department stands to fare very well financially during the next two years. The budget bill carried an appropriation of \$162,680 for the insurance department for each year of the biennium. This total includes the fire marshal's division and approximately \$20,000 in annual fees collected by that branch. Expenses of administering the new agents' qualifications law were provided. Year before last the department, exclusive of the fire marshal's division, was operated at a net cost of less than \$70,000, so the new appropriation will certainly permit considerably broadened activities.

Chief reverse was the defeat of a bill to permit insuring of state property with private carriers.

L. S. Jones, 66, head of the Richmond, Va., bureau of fire prevention since 1920 and a veteran of 40 years' service, died there.

THE WEEK IN INSURANCE

New England Fire Insurance Rating Association chooses its board of governors. Page 1

Damage done by sitdown strikers in Apex Hosiery Company plant at Philadelphia is covered under factory mutual policy. Aetna Fire settles for \$95,000 damage done to General Motors plant at Flint, Mich., by sitdown strikers. Page 1

M. H. Grannatt, in a talk before Ohio agents, examines the reasons prompting the current utterances to the effect that the agency system is on trial. Page 1

Illinois insurance code bill is signed with ceremonies. Page 3

Some features of the insurance commissioners' visit to Atlantic City reviewed. Page 4

J. D. Ewell of Richmond elected president of Virginia Association of Insurance Agents, paid manager plan approved, at annual meeting. Page 3

Substance of Georgia resident agents' law litigation given by W. H. Bennett at Virginia agents' association convention. Page 4

Michigan agents' qualification bill passes in final session. Page 2

Wisconsin Fire Underwriters Association holds annual meeting. Urge extensive public relations. Page 2

Ohio Association of Insurance Agents holds midsummer conference at Cedar Point. Page 3

Indiana Fire Underwriters Association holds annual meeting. Page 2

R. P. Barbour is elected chairman of the executive committee of the National Board, putting him in line for the presidency four years hence. Page 10

Cooperative agencies held legal in Wisconsin by attorney-general. Page 6

Minnesota field gatherings at Glenwood elect J. H. Lewis head of underwriters and Harper of preventionists. Page 12

New Interstate Commerce Commission rules on long haul truck business intended to put it on insurable basis. Page 19

Agents' power in cooperative effort against cut rate competition stressed by E. M. Allen at meeting of Virginia Association of Insurance Agents. Page 20

New setup is effected in the Empire Mutual of Chicago. Page 21

Some observations are made on the meeting of the insurance commissioners at Philadelphia. Page 19

Trial starts in Missouri action brought by six insurers to determine validity of procedure followed in casualty claim departments. Page 19

Retrospective rating of workmen's compensation is not discriminatory and is a valuable, progressive method, DeCelles of Massachusetts tells Commissioners' convention. Page 21

Ewell Is New Head of Virginia Agents

Association Takes Constructive Steps at Old Point Comfort Gathering

APPROVE MANAGER PLAN

Vigorous Policy During Year Helps to Set All-Time Membership Record

J. D. Ewell, vice-president Gibson, Moore & Sutton agency, Richmond, was elected president Virginia Association of Insurance Agents at the annual convention at Old Point Comfort. He succeeds Roger Clarke, Fredericksburg, who was presented a silver pitcher in recognition of his services.

Mr. Ewell has long been active in association affairs, for the last year being executive committee chairman. The previous year he was legislative chairman. He has specialized in casualty but is rated as a student of fire insurance.

Other new officers of the Virginia association are: First vice-president, J. A. White, Norfolk; second vice-president, H. B. Gray, Roanoke; secretary—

(CONTINUED ON PAGE 39)

Gov. Horner Signs Illinois Code Bill with Ceremony

TELLS ITS SIGNIFICANCE

Appreciative Audience Stands By—Palmer and Governor Issue Statements Concerning the Measure

The famous Illinois insurance code was signed Tuesday by Governor Horner in a ceremonial at the state house. Insurance Director Ernest Palmer, who has lived with the project more than three years, was able to be present. He is recuperating from an appendectomy and is now able to be up and around. In about 10 days he expects to go away on a vacation.

The governor signed the measure with a pen presented by William LaTeer of Peoria, in behalf of the Illinois Life Underwriters Association, he being president of that organization. The pen was then presented to Mr. Palmer.

Those Present at Signing

Others present at the signing included George Fitzgerald, head of the house insurance committee; Benjamin Adamowski, floor leader in the house, and Senator Thomas Keane, head of the senate insurance committee; Assistant Insurance Director Roy L. Davis and Frank W. Young and Ray Nelson, also of the department; W. Herbert Stewart of Chicago, president Illinois Association of Insurance Agents; Rockwood Hosmer of Chicago, chairman legislative committee Illinois Insurance Agents Association; Henry Moser, chairman

Hail Premiums Increased; Losses Are Running Heavy

WICHITA, KAN., June 30.—Hail writings in Kansas and Oklahoma are ended for the year, as the wheat harvest is now well under way. Substantial increases in premiums are generally reported, varying from 25 to 300 percent, the more active and larger writing companies and groups reporting the higher gains. Loss figures are not complete, as additional storms are still a strong possibility, but it is evident that the general experience will be quite unfavorable. While large losses were not so numerous as in other bad years, the coverage was concentrated in the eastern half or two-thirds of both states, due to the sixth consecutive drouth in the important and extensive wheat areas of the western third of both states. The last ten days of May and first half of June heavy storms occurred in scattered sections of both states and the losses were termed "heavy"; many were total. Reserve forces of adjusters were called into the field but heavy rains made many roads impassable and some unavoidable delay resulted. However, ten days of sunshine have cleared up the picture. The wheat is reported to be of excellent quality, exceeding June 1 estimates in most instances.

insurance committee Illinois State Bar Association, and J. T. Meek, secretary Illinois Chamber of Commerce.

"Enactment of the insurance code into law we believe will cure many of the ailments to which insurance had fallen prey in Illinois prior to 1932," Governor

(CONTINUED ON PAGE 39)

Ohio Agents Map Rural Campaign

Will Undertake to Make Association Attractive to Farm Producers

HOLD MID-SUMMER RALLY

Favor Cancellation Rule Change—Schedule Annual Meet For Toledo Oct. 26-27—M. H. Grannatt Makes Hit

By LEVERING CARTWRIGHT

Despite the torrential rains in Ohio on the eve and early morning of the day for the mid-summer conference of the Ohio Association of Insurance Agents at Cedar Point, a successful and well attended meeting was held. Registrations totaled about 125. Had it not been for the adverse weather conditions, the attendance would easily have reached 200.

The trustees at a five hour session the evening before and the members the next day reached a number of important decisions as well as hearing several good talks.

The trustees voted to hold the annual meeting at Toledo, Oct. 26-27. E. F. Benson of Akron, one of the trustees, was named chairman of the nominating committee.

Authorize Rural Campaign

Enthusiastic sanction was given to a projected campaign, headed by P. W. Fribolet, Bellevue, to proselyte rural agents by providing association attractions for them. A series of regional meetings for such producers will be held this fall. Those behind the movement predict that in the next two or three years some 400 or 500 rural agents may be brought into the association.

Announcement was made that membership now stands at 1,111, a new peak. The trustees authorized Secretary John A. Lloyd to proceed at this time to press action through the insurance department against four or five automobile dealers in connection with their automobile insurance activities.

A telegram was dispatched memorializing the legislature to reject that feature of the appropriation bill, now being considered, which would sharply cut the allowance of the insurance department.

Favor Cancellation Change

The trustees and association acted favorably upon a resolution presented by the Toledo group advocating change in the cancellation rule so as to permit flat cancellation up until the last business day of the month following the month in which the policy becomes effective instead of up to the 15th day of the month following the month in which the policy becomes effective. A special committee was appointed to work for this change.

A meeting of the junior organization of the association was held in charge of Stanley Hilbert. This group reports that it has obtained favorable consideration of the proposal for setting up a professional insurance course at Ohio State University. The juniors will hold a separate meeting in Columbus, probably in September.

M. H. Grannatt, assistant U. S. manager Royal-Liverpool, the final speaker, made an especially forceful talk. He came at the end of the day when the conventioners were weary and were anxious to leave the Point so as to be able to drive through flooded roads in daylight. Mr. Grannatt, in deference to

(CONTINUED ON PAGE 25)

ON THE JOB AT COMMISSIONERS MEET



These pictures show some of those at the commissioners' meeting.

No. 1. Canadian superintendents E. B. McLatchy, New Brunswick; Georges LaFrance, Quebec, and H. D. McNairn, Ontario;

No. 2. Carl L. Odell, president Allstate Insurance Company and Hercules Life; No. 3. C. F. Hobbs, Kansas commissioner; No. 4. Mrs. J. F. Smith, Camden, N. J., daughter of C. A. Gough; J. F.

Smith; C. A. Gough, New Jersey deputy; W. J. Snedecker, New Jersey department; Miss Dorothy O'Day, New York City.—Photos taken by H. H. Fuller, deputy U. S. manager Zurich.

Georgia Is Found Inclined to Guard Agents' Interest

BENNETT VIRGINIA SPEAKER

Tells Agents Association of Litigation Over Three Issues in Resident Agents' Law

The Georgia supreme court definitely appears inclined to uphold laws designed to protect regularly licensed agents and the public, W. H. Bennett, secretary National Association of Insurance Agents, declared in a talk at the Old Point Comfort, Va., meeting of the Virginia Association of Insurance Agents, on the new Georgia agency licensing law. There has been much litigation and testing of this statute which still hangs in the balance. In fact, at this time, Mr. Bennett said, the United States Supreme Court finding is that "because the statute excludes mutual salaried agents from its operation, it is unconstitutional. Obviously if the statute had not included that exclusion, but had simply stated that no salaried employee of any insurance company could be licensed as a local agent in Georgia, it would have been constitutional."

Tells Three Provisions

Mr. Bennett briefly explained the three main provisions of the Georgia law, the first being that full agency commission be paid a resident local agent who in turn could pay a portion of it to any other resident agent who places the business with him, and also could pay not more than 50 percent of the regular commission to a licensed non-resident broker. Second, the law defined "resident agent" as a resident agent engaged in soliciting business from the public generally and not including any salaried employee of any company operating in the state, but including any agents of mutual companies however compensated.

Cites Pacolet Tornado Loss

A third significant provision, Mr. Bennett said, imposes a penalty of 10 percent of any sum subsequently paid as a loss against a Georgia property owner insuring in a non-admitted company who fails to report that fact to the commissioner and to pay the usual license fee and premium tax. The statute permits an informer to receive one-half the penalty, the other half going to the state.

Mr. Bennett noted the pending case of the Pacolet Cotton Mill of Gainesville which, to save money, insured in a non-admitted mutual group but failed to

(CONTINUED ON PAGE 14)

Lamar Hill, America Fore Counsel, Is Dead

Lamar Hill, vice-president and general counsel of the companies in the America Fore group, died in St. Luke's Hospital, New York, at the age of 53. Although he had been acutely ill but several days, he had suffered from stomach trouble for some years. When his condition became critical he was taken from his summer home at Haines Falls, N. Y. Surviving are two young daughters, Adelaide, 15 and Ellen Cobb, 13, and a brother, Ashby Hill, secretary of the Home. Mrs. Hill died suddenly at the family home in New York, June 7, and this was a severe shock to Mr. Hill.

Born in Atlanta May 27, 1885, Mr. Hill attended public schools there and studied at the University of Georgia. He was admitted to the bar in 1905. He served as special assistant to the attorney-general in the important case of the state versus the Duckworth Copper & Sulphur Iron Co., tried before the United States Supreme Court, and won by the state.

In the war Mr. Hill saw active service in France, attaining the rank of adjutant general of the 81st division.

He was induced by the late Henry Evans, then president of the America Fore companies, to become general counsel for the group in January, 1922. Later he became vice-president as well.

His knowledge of insurance and its legal phases together with a cordial and winning personality ideally equipped him to handle relations between the industry and the insurance commissioners. State officials had confidence in his ability and integrity, and he exerted a constructive influence.

News of his death reached the National Association of Insurance Commissioners while some of the members were having a shore dinner at Atlantic City. Deputy Commissioner Gough of New Jersey got the message and stated he had an announcement to make, but he was overcome emotionally and was unable to do so. Commissioner Blackall of Connecticut conveyed the information to the group.

Mr. Hill was a member of the insurance committee of the American Bar Association. He had a prominent part in setting up the Stock Company Association to handle HOLC risks. He was a squire of the Order of Pamunks, a good fellowship body formed by the commissioners a number of years ago.

Funeral services were held from Mr. Hill's New York city residence and burial was at Ferncliff cemetery, in Westchester county.

Commissioners in Trip to New Jersey's Great Resort

ALL TAKEN TO ATLANTIC CITY

Brief Talks Were Made at the Shore Dinner Presided Over by C. A. Gough

It is doubtful whether the National Association of Insurance Commissioners will soon forget its trip to Atlantic City. When the six buses bearing the commissioners, their families and friends—247 in number—crossed the Delaware River bridge into Camden and the proud state of New Jersey, they were met by an escort of New Jersey state police. This escort was augmented by Ventnor and Atlantic City motorcycle police when the convoy reached the outskirts of the shore resort and the commissioners were escorted through Atlantic City and Ventnor in royal style.

Dinner at Atlantic City

The shore dinner at Hackney's made no pretense at formality and what talks were made were brief and informal. First there was Commissioner Bowles of Virginia, now president of the association. Commissioner Hunt of Pennsylvania added his thanks and then turned the gavel over to Commissioner Gough of New Jersey. The latter introduced Herbert A. Faunce of Atlantic City, president of the New Jersey Agents' Association and Mayor Harry Hodson of Ventnor.

Commissioner Carpenter of California, newly elected vice-president, was placed "on the spot." He was called upon to speak after the others had finished extolling the beauties and virtues of Atlantic City. Mr. Carpenter comes from Los Angeles.

Those present adopted a resolution of sorrow on the death of Lamar Hill, vice-president of the America Fore group, who always attended the commissioners' meetings. Gough of New Jersey, who was presiding, tried and failed to tell the commissioners of Mr. Hill's death. His eyes filled with tears and his voice choked with emotion. He turned the sad task over to Commissioner Blackall of Connecticut.

Best crack of the entire convention was that of Commissioner Bowles at the dinner in Atlantic City. He had to catch an early train back home and so he was forced to deliver his remarks during the dinner. The serving was naturally noisy and he had difficulty making himself heard. Finally, he shouted:

Phoenix of Hartford Now Is in Line in Cincinnati

CINCINNATI, June 30.—With the clearance of the Phoenix of Hartford, the in-and-out program of the Cincinnati Fire Underwriters Association is practically complete. All members of the Phoenix group will be represented solely in board agencies. Three agencies representing the Phoenix which were recently suspended from membership, Ahlbrandt & Wahle, George Grimm, and M. M. Skillman, have been restored to full membership privileges. Equitable Fire & Marine of the Phoenix group was represented in a number of non-board agencies, but these have now been resigned.

Fire Marshals Will Seek Uniform Fireworks Laws

The Fire Marshals Section of the National Fire Protection Association will seek state legislation throughout the country which would prohibit sale and use of fireworks except for properly supervised public displays. As president of the section, Fire Marshal S. V. Coultas of Illinois has announced appointment of a committee to draft a uniform law. J. V. Pyle of Iowa is chairman, with Clem Smith of Indiana and E. J. Burrill of Michigan as members. This action was authorized at the recent convention of the section and the committee will submit its report at the next meeting in May, 1938.

At present four states, Iowa, Kentucky, Michigan and New Jersey, have fairly comprehensive legislation to prohibit sale and use of all fireworks except for properly supervised public displays. Adoption of such legislation by all states is the best hope for final elimination of the present fireworks death toll, to say nothing of the property damage, Mr. Coultas said.

"Unless you are all quiet, these remarks will be lost to posterity."

Only a very few of the crowd that filled the ballroom of the Bellevue-Stratford in Philadelphia for the annual banquet were aware of the fact that the state flags which adorned the room were the only collection of their kind in the country and had to be insured for \$200,000 before the Philadelphia committee was able to secure their loan. The flags, property of the Wanamaker Store, were all hand-made and took three years to complete.

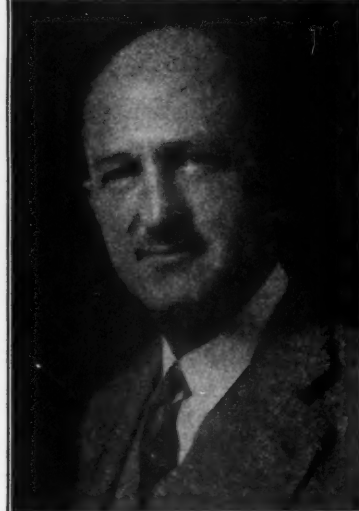
SPEAKERS AT THE NEW ENGLAND AGENTS MEETING



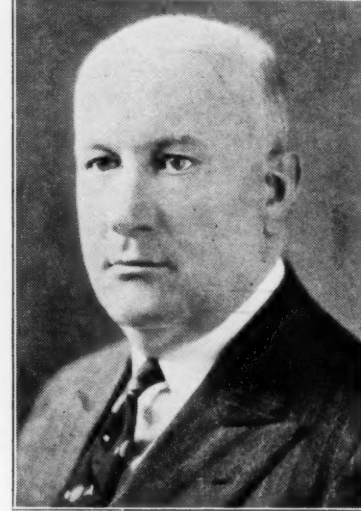
F. W. BRODIE, Waterbury, Conn.
Chairman Advisory Board



C. T. HUBBARD, Hartford
Assistant Secretary Automobile



C. C. HEWITT, Boston
Bolt, Dalton, Church & Hamilton



JOHN E. SULLIVAN, Concord, N. H.
New Hampshire Commissioner

MYSTERIOUS!

But there's no mystery in the Bond business - except perhaps the fact that so few agents recognize the excellent premium building possibilities of the Bonding lines.

The Fidelity and Casualty, pioneer bonding company in America, can show you how to develop this excellent business.



America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

Cooperative Agency Is Held Legal in Wisconsin Opinion

ANTI-REBATE LAW IS VIEWED

New Madison Agency Is Now Handling Insurance for Cooperatives—Fear Growth of Movement

MADISON, WIS., June 30.—In an opinion to Commissioner Mortensen, the legality of cooperative insurance agencies organized and operated under the Wisconsin cooperative statutes has been upheld by Attorney-general Loomis. Such agencies, according to the opinion, are not in violation of the anti-rebating provisions of the insurance statutes which provide that no insurance company, officer, agent or employee shall give any rebate or premium.

The opinion was requested by the insurance department after the articles of incorporation of a cooperative insurance agency had been filed with the secretary of state, providing that the property rights of the association members shall be in proportion to net earnings on business done by the agency with its members. These net earnings are to be comprised of commissions received from insurance companies on insurance placed by persons employed to act as agents, less cost of operation. The question was raised as to whether the agency could calculate property rights in proportion to the net earnings of the business done by it with the members because of the statutes prohibiting rebate of insurance premiums.

Points to Statute

The opinion pointed out that the statutes provide in part that it is not unlawful to pay the whole or part of any commission to a domestic corporation of which the agent writing the insurance shall be an officer or salaried employee, but no commission shall be paid where any officer or stockholder of the corporation shall be interested in the property or risk insured other than as agent.

This statute, it was pointed out, was obviously designed to strengthen the anti-rebating provisions by making it impossible to avoid compliance by forming corporate insurance agencies for the purpose of saving the commissions on insurance written on property of stockholders. This, of course, Loomis pointed out, is the avowed purpose of a cooperative insurance agency and hence such

an agency would violate the statutes unless it can be established that the law respecting cooperative organizations superseded the anti-rebating law to the extent that it is inconsistent therewith.

The opinion states that the cooperative law in Wisconsin having been enacted after the general anti-rebating insurance law it must be considered as modifying the latter law and as legalizing the method of profit distribution authorized in the case of cooperatives.

Agency Doing Business

The Insurance Cooperative Agency, recently incorporated in Madison, has established agency connections and is placing a substantial volume of business for Wisconsin cooperative associations. Sponsors, who say these cooperatives now pay an estimated \$500,000 annually for insurance in Wisconsin, hope for eventually saving up to 25 percent in the cost of writing that business. These savings are to result from lower procurement costs, better adaptation of insurance to needs of members, better opportunity to get insurance rates commensurate with risks, better opportunity to give service that will reduce costs, and realization of savings by reducing renewal costs.

Chief sponsors of the cooperative insurance movement are the Wisconsin Housing Cooperative, Wisconsin Rural Electrification Cooperative Association, Central Cooperative Wholesale of Superior, Wis., Wisconsin Cheese Federation, Wisconsin Wool Growers Cooperative and the Equity Cooperative Life Stock Sales Association.

The membership fee in the Insurance Cooperative Agency is \$25 for each cooperative, of which \$10 is payable in cash and the remainder to be deducted from accumulated patronage dividends. The capital stock is \$10,000. C. F. Clafin of the live stock group is president of the agency; John Bordner, Wisconsin Housing Cooperative, vice-president, and A. J. Green of the rural electrification group is secretary-treasurer.

Question Disturbs Field

The agency is handling fire, trucking and other insurance risks of the various cooperative associations. The business is to be placed as far as possible with mutual and cooperative insurance companies. A decision on whether the agency will handle life and other personal policies has been deferred until a later date.

The question of cooperative insurance agency and company competition with stock insurance has been one of growing importance and concern in Wisconsin.

Harry Grider Gives Hard Hitting Competitive Talk

ADDRESSES AGENTS OF OHIO

Western Factory Executive Says This Is Opportune Time to Solicit Factory Mutual Risks

A hard hitting competitive talk was given at the mid-summer meeting of the Ohio Association of Insurance Agents at Cedar Point by Harry L. Grider, associate manager Western Factory, Chicago.

This is the opportune time to solicit factory mutual risks, he declared. The Firemen's of Rhode Island, which is the most active of the factory mutuals in Ohio, has increased its cost 33 1/2 percent in the past two years, he declared. If the prospect is willing to assume that money is worth 4 percent to him, the Western Factory, according to Mr. Grider, can meet or beat the factory mutuals on average rate. The stock companies, he said, have as good or better inspection service and the assets of the Western Factory companies are a billion and a half dollars with each company guaranteeing the others.

Recalls Situation in 1918

Mr. Grider went with the Western Factory in Ohio in 1918. At that time the factory mutuals were the only competition that Western Factory recognized. All the Western Factory had to sell at that time was company stability and inspection service. The factory mutuals continued to gain. In 1927 a committee of Cleveland and Cincinnati agents conferred with western managers in Chicago, demanding relief. In that year Western Factory lost three times as many risks to the mutuals as the mutuals lost to the stock companies. In the spring of 1928, he recalled, relief arrived. The superior form, a competitive instrumentality, was introduced. "We built our trenches and stopped the march through the line," he declared. "Then the mutuals started going around the end of the line by accepting new classifications."

Until that time, he said, the factory mutuals had been "dignified" in their competition. They didn't apply pressure to get business. They contented themselves with reciting what they could do and permitted the manufacturer to make his choice without pressure being ex-

erted. "They remained dignified until they got into trouble," he said. In 1928 they started a "mud slinging campaign." They began emphasizing all the "sins" of the stock companies for the past 50 years and they started deprecating local agents.

Stock Made Big Gains

In 1928 Western Factory held its own, he said. The Western Factory form just about matched that of the mutual companies although the stock companies still charged for tornado and sprinkler leakage. In 1931 the stock companies took twice as many risks from the mutuals as the mutuals took from the stock. In 1934 the stock companies took 3 1/2 times as much business. Now there is not so much switching, he said. Things are more settled.

From 1929-35 the factory mutuals, he said, had their "grand rush." They made huge gains from securities but they got "slapped" in the market crash.

Firemen's of Rhode Island for the past two years has reduced dividends from 94 percent to 92 percent. That means that they have increased their cost to the assured by 33 1/2 percent because with a 94 percent dividend the insurer absorbs 6 percent of the deposit premium and with a 92 percent dividend it absorbs 8 percent. There is very little real hope that the factory mutuals can do other than increase their cost, he said.

Matches Form Word for Word

For the past 19 years, there has been the cry on the part of the agents, "why don't the companies do something?" Mr. Grider contended that they have done a great deal. In 1918, Western Factory used the ordinary form whereas in 1937 Western Factory matches the form of the mutuals word for word.

Many agents and stock company executives believe that the stock companies should proceed to take business from the mutuals at any cost but, according to Mr. Grider, the "wiser heads" do not share that opinion.

He observed that the factory mutuals are perfectly free to meet changes in forms and reduction in rates on the part of stock companies because it is not the factory mutuals' own funds but those of the assured that are involved. With the factory mutuals meeting new terms of the stock companies, there is no gain for either side.

Western Factory, he declared, is purely a defensive organization. It is not a premium gathering institution. It always insists upon counter signature on the part of a local agent in the territory where the risk is located. Western Factory has never helped switch business from the agent of a member company to the agent of another member company. It has aided the agents in preventing mutuals from capturing their business.

Mountain States Auto Rates

DENVER, June 30.—Automobile theft rates in Colorado, Wyoming and New Mexico have been reduced about 18 percent, it was announced by Guy W. Shirley, special agent in Denver Auto Protective & Information Bureau. The lower rates will apply to about 85 percent of the total production; on 10 percent, there will be no change; and, on 5 percent, the rates will be increased slightly. Collision rates on cars listing up to \$700 have been increased.

Opens Spokane Office

A service office has been opened by the Royal-Liverpool groups in the Sherwood building, Spokane, Wash., to take care of agency plants of the companies in eastern Washington and northern Idaho. J. H. Ohrner, for a number of years special agent out of the Seattle office, is in charge of the new service office. The opening of the new office will not change the status of D. A. McKinley, Washington state agent of the Royal, or George E. Guerraz, assistant manager of the Liverpool & London & Globe in that state. It will operate as a sub-office of the Seattle office.

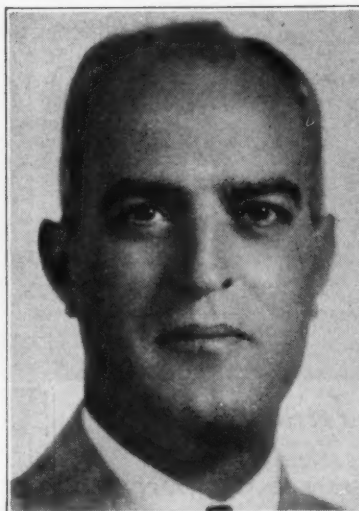
MOTHER OF PRESIDENTS HAS TRIPLETS



G. A. BOWLES



W. O. WILSON



L. E. ENGLISH

With the election of George A. Bowles of Virginia as president of the National Association of Insurance Commissioners, the mother of presidents' state, now has

within its borders the presidents of three national insurance organizations. The other two are W. O. Wilson of Richmond, president National Association of

Insurance Agents, and L. E. English, also of Richmond, president American Association of Insurance General Agents.

Brevities of Agents Rally at Old Point Comfort, Va.

P. R. Sigmon, one of four brothers who operate the Sigmon Brothers agency, Roanoke, Va., representing the City of New York of the Home group, while attending the annual meeting of the Virginia Association of Insurance Agents at Old Point Comfort last week dropped into headquarters of the Home group in charge of Arthur Borg, advertising manager, and H. C. Taylor, Virginia state agent. He was telling about his brothers and the fact that two sisters formerly were connected with the agency. Mr. Taylor matched the yarn, there being four of the Taylor brothers in the insurance business and two more who used to be in it. One is C. G. Taylor, vice-president Metropolitan Life; another, J. Q. Taylor, assistant secretary Northwestern National, Minneapolis. G. G. Taylor used to be with the Mutual Life of New York at Richmond and is now with the Metropolitan Life at Atlanta.

* * *

Col. Joseph Button, former Virginia commissioner, now secretary manager Stock Company Association, Washington, found time to run down to the Virginia agents meeting to renew old acquaintances. He was accompanied by Mrs. Button. From Old Point Comfort he went to New York to attend the funeral of Lamar Hill, vice-president and general counsel America Fore group.

* * *

J. D. Ewell, Jr., son of the new Virginia association president, captured first honors in the invitation golf tournament at the Country Club of Virginia, Richmond, on the day his father was elevated. The senior Ewell, a member of the Gibson, Moore & Sutton agency, Richmond, rates high as a golfer, having been runner-up in the Hermitage country club invitation tournament at Richmond in which many middle Atlantic golf stars competed.

* * *

Miss Catherine C. Garrett, who runs the Garrett & Co. agency at Leesburg, is perhaps the most regular attendant at the Virginia association annual sessions with an unbroken record of 18 years. She is celebrating the 30th anniversary of the agency, which was founded by her father in 1907. She took it over following her father's death 18 years ago. She has served a term as vice-president Virginia association. Her father before her served one term in that office during the presidency of T. G. Burch of Martinsville, now a Virginia congressman.

* * *

Through D. P. Malone, assistant secretary North America group, the association was presented a daguerreotype of Jefferson Davis, president Confederate States, done by Montgomery Pike Simons, Richmond war-time photographer. It will be placed in the Confederate Memorial Institute at Richmond.

Creditor-Debtor Control Does Not Include Liability

According to judgment of the Nebraska supreme court, companies which control agency funds written agreement to work out delinquent balances are freed from liability for its wrongful acts. The decision upheld a lower court judgment in the case of Naeve vs. Shea, et. al., and favored the Concordia and the National Security Fire.

The two companies and the Southern Fire had agreed with the Shea-Dross agency of South Omaha, Neb., in April, 1928, to operate the office, since past due balances totaled \$15,000. T. E. Shea and H. C. Dross, partners, were paid salaries, while any profit in the agency was to reduce the old balance. Two years later the plaintiff, Naeve, attempted through the agency to get fire coverage on a building used as a dance hall at Naeve's park in Sarpy county. None of the three carriers would take the risk and the agency finally "covered" it for \$8,750 by brokering it through New York. However, there were no such companies as those which purported to issue the policies. Naeve, when the

dance hall burned in September, 1932, claimed the three defendant companies, since they had agreed to operate the agency, were liable for its acts. As a result of the suit, the lower court ordered a directed verdict against Shea and Dross for \$10,697. The companies were held not liable.

Creditor-Debtor Arrangement

The supreme court in sustaining the lower tribunal, pointed out that the written agreement between the three companies and Shea and Dross provided that all earned premium should be paid to an Omaha bank, with the three creditor companies countersigning all checks. Salaries, expenses, etc., were to be paid out of this and the remaining balance was to be pro rated to the carriers. There was provision for limitation of salaries and office expenses. However, the written part of the contract did not purport to convey any interest in the agency to any of the three companies. It was simply a relationship between debtor and creditor.

The court said that allegations that a company representative had answered affirmatively when one of the agents said: "Does this mean we are turning over the agency to you fellows?" was not sufficient evidence to show that the three companies owned the agency. It declared contracts of this nature are

merely to give the companies and to prevent a suit for the balances. However, this should not mean that the companies owned or operated the agency, and since they are merely creditors, they are not responsible for wrongful acts of such an agency.

Missouri Agents Meeting

M. L. Clevlen of Poplar Bluff, Mo., president Missouri Association of Insurance Agents, announces that the annual meeting will be held at the Tiger hotel, Columbia, Mo., Oct. 14-15.

Myrick Associate State Agent

S. E. Myrick, former special agent in Florida for the Home, has been made associate state agent, and will operate in conjunction with State Agent H. F. Remsen.

J. A. Moran, 61, prominent Rock Island, Ill., agent, died there from a streptococcus infection after a brief illness. He had been in business for 20 years and was active in the Rock Island Insurance Board as well as having been head of the local real estate board. He was prominent in political affairs and had been supervisor of the township. While serving on the county board he aided in preparation of a blanket insur-

Insurance Library Group Holds New York Sessions

The insurance group of the Special Library Association had an interesting program at the annual conference held in New York City. Subjects and speakers in the insurance division were: Administration, Geraldine Rammer, Hardware Mutual Casualty; cataloging and classification, Laura Woodward, Maryland Casualty; services to branch offices and field readers, Grace Child Bevan, Phoenix Mutual Life; library forms, Mabel Swerig, Insurance Society of New York; care of company archives and historical items, Florence Bradley, Metropolitan Life. More than 300 librarians attended the general sessions in which Miss Rammer talked on "In an Insurance Library." L. A. Mack, president "Weekly Underwriter," entertained the insurance group at a tea. Emily C. Coates, Travelers, is chairman; Caroline I. Ferris, Insurance Society of Philadelphia, vice-chairman, and Mariana Thurber, Employers Mutual Liability, Wausau, Wis., secretary-treasurer of the insurance group.

ance form and pushed through the plan requiring insurance to be parceled out among local agencies.

IF I WERE AN AGENT...

I would remember...

That my success depends upon new business;

That every Agent loses some business each year, which must be replaced if one is to succeed.

That selling—like everything else—is most successful when done according to a well-defined plan.

That plans already perfected by other Agents are bound to be more effective than untried ones.

That to see and choose from a portfolio containing 172 pages of pre-tested sales plans—

That had been selected during a six year research among successful Agents country-wide—

That would be a real privilege.

It is available to Agents and prospective Agents of

THE AMERICAN GROUP, NEWARK, N. J.

Fire Companies

THE AMERICAN

THE COLUMBIA FIRE

DIXIE FIRE

SNAPPED AT COMMISSIONERS' PHILADELPHIA MEETING



No. 1. F. W. Young, special deputy Illinois; Jno. Sharp Williams, III., Mississippi commissioner; S. J. Carr, Philadelphia, resident vice-president Standard Accident; No. 2. Ray Murphy, Iowa commissioner; J. J. Holmes, Montana commissioner; No. 3. E. C. Stone, U. S. attorney Employers Liability; No. 4. William Quaid, Home of New

York vice-president; Secretary W. H. Bennett, National Association of Insurance Agents; H. J. Mortensen, Wisconsin commissioner; H. A. Joyce, deputy Maryland. No. 5. C. T. Monk, president Philadelphia Insurance Agents Association; No. 6. (CONTINUED ON NEXT PAGE)

(CONT'D FROM PRECEDING PAGE)

Commissioner Cochran, Colorado; Joseph Button, manager Stock Company Association; No. 7. C. N. Chapman, actuary Texas fire division; No. 8. Mrs. J. S. Phillips, J. S. Phillips, board chairman Great American Indemnity; No. 9. H. H. Earle, Oregon commissioner; No. 10. T. E. Leavy, executive vice-president, Farmers Auto Inter-Insurance Exchange, Los Angeles.

No. 11. Pamunkey team, Thomas Watters, Washington, D. C.; C. W. Fairchild, Association of Casualty & Surety Executives; E. C. Stone, Boston; Joseph Button; J. R. Dumont, Interstate Underwriters Board; No. 12. William Leslie, National Bureau of Casualty & Surety Underwriters.

No. 13. F. X. Connolly, resident vice-president Fidelity & Deposit, Philadelphia; No. 14. C. W. Fairchild, New York City; No. 15. Thomas Watters, Washington, D. C.; J. R. Dumont, New York City.—Photographs taken by H. H. Fuller, deputy U. S. manager, Zurich.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

LITTLE TO PARIS CONGRESS

F. S. Little, honorary director of the Insurance Brokers Association of New York, will represent that body at the International Congress of Insurance Brokers in Paris, July 6-10. A former president of the association and long a prominent broker of the metropolitan district, Mr. Little sailed for Europe Wednesday.

* * *

BOARD VETERANS HONORED

The loss committee of the New York Board honored A. E. Clough, secretary, who retires today, with a luncheon. Other guests included former committeemen, President O. E. Schaefer, M. A. Gladding, who also retires this week after 25 years service on the board, and E. C. Niver, recently named executive vice-president. W. A. Riordan, chairman of the committee, President Schaefer and others spoke. Mr. Clough was given a silver bowl and Mr. Gladding a silver cigarette case.

* * *

KASTNER BACK AT DESK

R. J. Kastner, secretary of the Croon & Reynolds companies in charge of the southern department, has so far recovered from his prolonged illness as to permit being at his desk a part of each day. He expects to get away shortly for the rest of the summer to regain his health.

* * *

SPECIAL JOINT COMMITTEE

A brokers associations joint committee on rating bureau relations has been formed to act as an intermediary between the General Brokers Association, the Bronx Insurance Men's Association, Brooklyn Insurance Brokers Association and the Independent Brokers Association of Brooklyn and rating bureaus on matters pertaining to rates, commissions, grievances, practices and procedure. The committee has asked the New York Fire Insurance Exchange to designate a committee to consider joint conference problems affecting brokers and to provide a means of cooperation. G. F. Sullivan, president of the General Brokers Association, is chairman of the joint group and T. W. Buckley represents the Bronx group, J. E. Fries, Brooklyn, and P. A. Locke the independent group, as vice-chairmen. Bernard Stern is secretary, and S. R. Feller, former deputy insurance superintendent, is designated as counsel.

* * *

DINNER FOR J. J. MAGRATH

Latest of a series of dinners tendered by the insurance fraternity and departmental members to J. J. Magrath, who retires as chief of the rating bureau of the New York department to assume an administrative post with Chubb & Son, prominent marine and fire underwriters of New York City, was held Monday night, when officers and chief employees of the city office of the department were hosts. Superintendent L. H. Pink, acting as master of ceremonies, called upon several of the deputies and departmental heads, all of whom stressed the high regard in which Mr. Magrath is held by his long-time associates, and the regret felt at his leaving.

The hit of the evening, however, was made by "Joe" 3rd, Mr. Magrath's 12-

year-old son, who, unabashed at being signaled out, made a spirited talk, earning the continued applause of his auditors. By special invitation Mr. Magrath's parents, together with his wife and family were present.

Preceding the assumption of his duties with the Chubb organization, Mr. Magrath will spend the next three weeks cruising Canadian waters.

* * *

AGENTS' STATUS STILL PROBLEM

Although no close parallel can be drawn between agents of Northwestern Mutual Life, who, under a recent ruling of the internal revenue bureau were held to be independent contractors and hence not subject to taxation as employees under the social security act, and local representatives of fire and casualty companies, the ruling, it is generally felt, will help sustain the contention of the latter that they too are independent workers and not employees.

The counsel of the commission of the District of Columbia held some time ago that fire and casualty agents within the jurisdiction were independent contractors. He reached that conclusion after several agents of Washington had testified and attorneys for the insurance companies submitted briefs defining the relationship existing between companies and their agents.

Numerous rulings on the subject have been issued by different states, few of which differentiate between agents in widely varying divisions of effort, hence the difficulty experienced in interpreting the oftentimes conflicting regulations. In order to secure an authoritative ruling that would be recognized throughout the country, a brief was submitted to the internal revenue department on behalf of fire and casualty companies some weeks ago, and when decision thereon is rendered the status of commissioned agents generally will be known authoritatively.

* * *

W. W. Ellis, executive secretary of the National Association of Insurance Brokers and editor of "Broker-Age" of New York City, is on a motor trip to the Grand Canyon with his family.

Care for Outsiders First

C. R. Tucker of I. Reinhardt & Son, Dallas, chairman of the hotel committee for the annual convention of the National Association of Insurance Agents in Dallas the week of Oct. 4, predicts that the 1,000 rooms reserved for the convention will be used by out-of-Texas visitors, based on present rate of hotel reservations. Texas local agents and company men as hosts will not use any of the reserved rooms until all visitors have been cared for.

Insurance Almanac Out

The 1937 edition of the Insurance Almanac has just been issued by the "Weekly Underwriter," 80 Maiden Lane, New York. It gives comprehensive information on insurance companies of all classes, insurance organizations, national, state and local; insurance department officials, figures on last year's operations and prominent personalities in the insurance business.

Fire, Tornado, Automobile Insurance

THE LONDON & LANCASHIRE
INSURANCE COMPANY, LTD.

ORIENT INSURANCE COMPANY

LAW UNION & ROCK
INSURANCE COMPANY, LTD.

SAFEGUARD
INSURANCE COMPANY

ENGLISH AMERICAN
UNDERWRITERS AGENCY

STANDARD MARINE
INSURANCE COMPANY, LTD. (Fire Dept.)

GILBERT KINGAN, Manager
Eastern Department
20 Trinity St.
Hartford, Connecticut

W. W. GILMORE, Manager
Pacific Department
332 Pine St.
San Francisco, Cal.

C. CLAUSSEN, Manager
Western Department
223 W. Jackson Blvd.
Chicago, Illinois

For Over Fifty Years Good Friends of Local Agents

1794 1937

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

ANNUAL STATEMENT December 31, 1936

Reserve for Unearned Premiums\$1,920,780.68
Reserve for Losses Under Adjustment	.. 194,625.69
Reserve for Taxes and all other Claims	107,228.45
Contingency Reserve 100,000.00
CASH CAPITAL 1,000,000.00
NET SURPLUS 2,112,660.17

TOTAL ASSETS\$5,435,294.99

SURPLUS TO POLICYHOLDERS \$3,112,660.17

Bonds and stocks are valued on basis approved by National Association of Insurance Commissioners. On basis of market quotations, the total Admitted Assets would be \$5,548,777.75 and the Policyholders' Surplus \$3,226,142.93.

Acquire
THE OLD "STATE OF PENN"

DIRECTORY OF LEADING LOCAL AGENTS

ILLINOIS

CRITCHELL, MILLER WHITNEY & BARBOUR

Established 1868

Insurance Exchange Building
CHICAGO

Eliel and Loeb Company

Insurance Exchange

Chicago

FRED. S. JAMES & CO.

Established 1872

Insurance Exchange Building
Chicago

LOUISIANA

LEON IRWIN & CO., Inc.

Unexcelled Insurance Facilities

NEW ORLEANS, LA.

MICHIGAN

Detroit Insurance Agency

G. W. Carter, Pres.

H. L. Newman, Vice-Pres.

Louis J. Lepper, Sec.-Treas.

Fisher Bldg.

Detroit, Mich.

MISSOURI

Lawton-Byrne-Bruner

INSURANCE

Saint Louis

NEW YORK

CENTRAL FIRE AGENCY, INC.

(Underwriting Agency)

Risks accepted throughout the United States, Canada, Cuba and Porto Rico

92 William Street, New York City

OHIO

Walter P. Dolle & Co.

"Insures Anything Insurable"

Dixie Terminal Bldg.

CINCINNATI

Submit Your Propositions to Us

WISCONSIN

Chris Schroeder & Son Co.

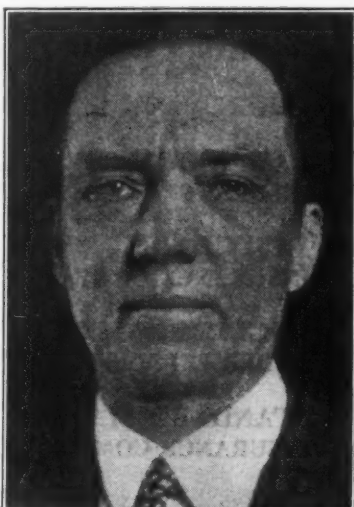
86 Michigan St.

MILWAUKEE

Engineering Service—All Lines

The largest insurance agency in the State of Wisconsin

Heads National Board Executive Committee



R. P. BARBOUR

R. P. Barbour, United States manager of the Northern of London, was unanimously elected chairman of the executive committee of the National Board. He succeeds F. D. Layton, president National of Hartford, who was chosen vice-president at the annual meeting in May. Mr. Barbour was a member of the executive committee for the three year term ended May, 1935, when he was appointed chairman of the committee on standard rating schedules and forms. His election as chairman of the executive committee places him directly in line for the presidency four years hence. It is an unwritten rule of the National Board to continue its president in office for two years, advancing in turn the vice-president and the chairman of the executive committee. P. B. Sommers, president American of Newark group, is now president of the board and if precedent is followed will give place in 1939 to Mr. Layton, who in turn will be succeeded in 1941 by Mr. Barbour.

Material Costs Reported in Great Rise Recently

Building material costs are up to the 1929 level, or even higher, and are pyramiding rapidly. The upward slant is so sharp that there is a possibility of a repetition of the construction slump of 1921-22, following the unusual high construction costs in the peak year 1920. All cost factors taken into consideration, it seems likely that for some time to come repairs and new construction by fire companies on losses will be more expensive than in the past.

One factor in the rise, of course, is the great gain in home construction. Industrial construction also is much increased throughout the country, reports show. Other vital factors, however, are great increase in taxes and general business operating costs, and uncertainty of the labor situation.

An unauthenticated report indicates 40 percent increase in cost of materials in the last three months. A well known Chicago firm of architects and builders reports material prices 25 to 50 percent higher than two years ago, the greater percentage applying on supplies involving manufacturing and processing functions, such as machinery, equipment, plumbing, lighting fixtures, heating and air conditioning appliances. It appears many items are higher than the 1929 prices, due to increased taxes, effect of sit-down strikes and demand for materials.

The "Engineering-Record" recently presented a survey of current construction costs showing that with 1913 costs as a basis of 100 the curve has risen at least 10 points since Jan. 1, increasing steadily from an index of about 195 at the end of 1935 to 230.25. The chart shows a rise steadily since the middle of 1932 from the low point of about 150. The high point of approximately 275 was reached in the middle of 1920 and the low point of 116 early in 1922. The rise this year is due to increase in steel prices. Only recently President Roosevelt in an address declared prices of durable goods were too high, his criticism being directed especially against steel. Other metals used in construction have been similarly affected, however.

tion costs showing that with 1913 costs as a basis of 100 the curve has risen at least 10 points since Jan. 1, increasing steadily from an index of about 195 at the end of 1935 to 230.25. The chart shows a rise steadily since the middle of 1932 from the low point of about 150. The high point of approximately 275 was reached in the middle of 1920 and the low point of 116 early in 1922. The rise this year is due to increase in steel prices. Only recently President Roosevelt in an address declared prices of durable goods were too high, his criticism being directed especially against steel. Other metals used in construction have been similarly affected, however.

Adams N. Y. Glens Falls Head

NEW YORK, June 30.—W. J. Adams has been appointed general manager of the New York City office of the Glens Falls group following the recent death of A. B. Mills, who was head of the fire branch. Mr. Adams had been manager of the local office of Glens Falls Indemnity since its establishment 10 years ago.

Doubts Fire Came First

In Donato vs. Granite State Fire, the New York appellate division, second department, has ordered a new trial, the question being whether the loss was caused primarily by an explosion, followed by fire, or whether fire preceded. The higher court held that the finding that the premises were wholly destroyed by fire and that "any explosion which may have occurred during the course of that fire was preceded by such fire and was incidental thereto" and the fixation of the cash value of the property destroyed by fire at \$10,250, together with appropriate conclusions based thereon, are against the weight of the credible evidence. The fact established by many disinterested witnesses is that an explosion, so terrific as to

cause the side walls of the building to be blown out and to wrench the joists of the house, preceded the flames. The house was vacant at the time, the tenants having moved or having been notified to leave approximately a month before its destruction. Under all the circumstances, any finding that the fire preceded the explosion was based on pure conjecture. Upon the new trial it will be incumbent upon the assured to furnish an adequate basis for the segregation of the recoverable damage by fire from that caused by the preceding explosion, if it be found on the new trial that such explosion did precede the fire.

Avery Back from Honolulu

F. M. Avery, vice-president and Pacific Coast manager of the Fire Association group, has returned from a trip to Honolulu, accompanied by Mrs. Avery.

Extend New Hampshire's Writing

The New Hampshire house has passed a bill extending the right of the New Hampshire Fire to write aircraft coverage.

Ira D. Goss, farm manager of the America Fore, is making an encouraging recovery at his home in Evanston, Ill., from a heart attack suffered nearly four weeks ago. He was hospitalized after he was stricken, but he improved steadily and was taken home in a few days. He is expected to be in shape to be moved to his summer place in the Tippecanoe river in Indiana early in August, but he will not be able to return to his office until fall.

You're In the Money—when you sell accident and health. Read *The Accident & Health Review* for sales pointers. Sample 10 cents. Address A-1946 Insurance Exchange, Chicago.

MERCHANTS INSURANCE COMPANY

OF PROVIDENCE

31 CANAL STREET INCORPORATED 1851
PROVIDENCE, RHODE ISLAND

• STATEMENT JANUARY 1, 1937 •

ASSETS

Bonds and Stocks.....	\$2,784,753.85
Cash Balance	332,659.10
Agents' Balances Outstanding.....	291,264.23
Accrued Interest, Other Assets.....	30,968.18
	\$3,439,645.36

LIABILITIES

Reserve for Unearned Premiums.....	\$1,117,004.42
Losses in Course of Adjustment.....	77,521.00
Reserve for Taxes, Expenses, All Other Liabilities..	80,008.68
Special Reserve Account.....	50,000.00
Capital Stock	\$1,000,000.00
Net Surplus Beyond All Liabilities....	1,115,111.26
Surplus to Policyholders.....	2,115,111.26
	\$3,439,645.36

NOTE: All bonds and stocks are carried at Actual Market Value.

Policyholders rating A+ (Excellent)

This company is built on the best practices of insurance and the fine traditions typical of New England.

Alloy Steel Needs Care in Repairing

The Old Methods May Seriously Weaken Modern Automotive Parts

A METALLURGIST SPEAKS

N. Y. Auto Claim Men Hear J. W. Sands of International Nickel Company

NEW YORK, June 30.—Increasing use in automobile manufacturing of alloy steels to permit lighter weight parts without sacrifice of strength has imposed on automobile claim men the necessity of keeping posted on these developments, since repair methods suitable for ordinary steels may affect an alloyed steel so that it is unfit for use and perhaps actually dangerous. At the same time, claim men are interested in knowing how these new steels can be safely straightened when bent, in order to avoid expensive replacements. At a recent meeting of the New York City Automobile Claims Association, J. W. Sands, development and research engineer of the International Nickel Company, warned of the necessity of having repair men use only methods which are adapted to the type of steel involved.

Alloy steels are used for automobile parts because of their high strength as compared with their weight. This high strength-to-weight ratio is due not only to the chemical composition of the steel but to the process of heating and quenching to which it has been subjected in manufacture. A part made of old-style carbon steel was still a pretty husky affair even if the repair man didn't follow exactly the proper procedure in straightening it after an accident. The relatively small size of alloy steel parts, however, results in greater chance of breakage if the wrong repair methods are used, for when the steel loses the beneficial effect of the original heat treatment it loses much of the extra strength and toughness which were counted on to offset its smaller size.

Engineers' Dilemma

Mr. Sands pointed out that automotive engineers are up against the fact that as steel is made stronger its toughness and ductility decrease, whether this strengthening is accomplished by increasing the carbon content or modifying the heat treatment. Thus, beyond a certain point, unalloyed steels cannot be made so strong as they might be, since no steel in any degree brittle can be tolerated for automotive work. Parts must be tough enough and ductile enough to bend rather than break under excessive stress. Alloying increases the toughness and ductility of steels and thus makes it possible to use small, light-weight parts. Also, most of these parts are fully heat treated to develop the full capabilities of the steel. This involves heating and quenching under accurately controlled conditions.

Because of their greater springiness alloyed parts must be bent farther and under higher stress when being straightened cold than in the case of carbon steel. This cold bending process has the effect of making the steel somewhat stronger but at a sacrifice of some ductility and toughness, a factor which must be kept in mind in making repairs, Mr. Sands warned. Cold straightening of objects, such as steering gear parts which are important to safety is not to be recommended, he said. Where cold bending of alloyed steel parts is suitable

an annealing process to relieve the stresses set up by the bending of the metal is helpful, he advised.

"Application of heat to automobile parts should be only attempted when the operator has a thorough knowledge of the composition and treatment of the part and is familiar with the effect of heat," Mr. Sands pointed out. "On quenched and tempered parts any heat in excess of the tempering temperature originally used will destroy the beneficial effect of the heat treatment. On parts which are used in the 'rolled' or 'normalized' conditions excessive heat will coarsen the grain structure of the steel and tend to embrittle it, often 'burn' it.

"Local Heating" Problem

"Local heating on alloyed steel parts, such as a truck frame, for example, may be dangerous for another reason. Much has been made of the easy hardenability of alloyed steels in the quenching operation. After local heating above the critical temperature the rapid conduction of heat from the affected zones by the cold adjoining metal may cool these zones so quickly that the result is, in effect, a quench. Quenched and untempered steel is relatively hard and brittle and such zones would be highly undesirable in a frame. This effect can be minimized by a careful low temperature preheat of the adjacent areas. A final, low-temperature stress-relieving treatment should again be desirable.

"Since the materials and heat treatments of modern automotive parts have been carefully developed to best meet the service requirement, it is important that any subsequent operations performed upon them do nothing to reduce their efficiency. Such operations should only be attempted when there is a complete understanding of their effects on the metal involved."

Hanover in Arkansas

NEW YORK, June 30.—The Hanover Fire has decided to enter Arkansas, naming Shepherd & Co., Little Rock, general agents. Heretofore the company has been licensed in Arkansas for reinsurance only. Decision to enter for agency business was reached following a visit to the state by Vice-president A. E. Gilbert.

J. L. Collins Retires

NEW YORK, June 30.—J. L. Collins, manager credit department for the Royal-Liverpool group, retires after 52 years' service. Entering the employ of the Queen as a boy, he advanced steadily through special agencies in New York, New Jersey and New England, to a home office general agency. For several years he has been handling the credit division for the group.

Malmuth Succeeds Magrath

NEW YORK, June 30.—Pending examination of candidates to succeed J. J. Magrath as chief of the rating bureau of the department, Superintendent Pink has designated J. Malmuth, interim chief. Mr. Malmuth has been connected with the department for 12 years, serving as chief aid to Mr. Magrath for a portion of that period. Mr. Magrath's resignation became effective today.

New York Pond's Slate

NEW YORK, June 30.—At the annual meeting of the New York City Blue Goose the slate proposed by the nominating committee, which probably will be elected, is: S. R. Howard, most loyal gander; William Stedler, supervisor; J. E. McClellan, custodian; P. M. Winchester, guardian, and E. L. Lewis, keeper.

Plate Glass Flood Losses

NEW YORK, June 30.—Losses totaling \$120,000 were suffered by plate glass writing companies that are members of the National Bureau of Casualty & Surety Underwriters as a result of the floods in 1936 and thus far this year.

ONE-MINUTE TALKS WITH AGENTS

No. 13

"The Lord Helps Those"

RELIEF rolls are filled with men who were afraid to try. The insurance business harbors many men who wait for business to fall into their laps. And in no business is it any truer than in this one, that the "Lord helps those who help themselves."

Friendship, inside "drags," lucky breaks, are not what sell insurance. Persistence (without irritation), planned selling, client service and a lot of just plain hard work will surely qualify every insurance man for the divine help that goes to self-helpers.

David bested Goliath because he didn't wait for help, but reached determinedly for a handful of good-sized stones. He tried—and won! So can you.

W. H. Bent
President



GENERAL INSURANCE COMPANY of AMERICA
GENERAL CASUALTY COMPANY of AMERICA
FIRST NATIONAL INS. COMPANY of AMERICA

Eastern U. S. Dept.
116 John St.
New York, N. Y.

C. W. Davis, Supt. of Agents
290 N. Broadway, St. Louis, Mo.

Mountain States Dept.
Insurance Exchange Bldg., Denver, Colorado

CALEDONIAN INSURANCE COMPANY

The Oldest Scottish Insurance Office

GOOD faith to agents and policyholders at all times has been one of the fundamental policies of this company. It is exemplified by an honorable reputation, sound practices, sound underwriting and a sound financial policy.

Caledonian-American Insurance Co. of New York

Robert R. Clark
U. S. Manager and President

The Netherlands Insurance Co. of The Hague, Holland

Established 1845
Robert R. Clark, U. S. Manager
Executive Offices: Hartford, Conn.

NEWS OF FIELD MEN

Minnesota Field Men Meet

Lewis Elected Head of Underwriters, Harper of Preventionists, at Glenwood Sessions

J. H. Lewis, Jr., St. Paul F. & M., was elected president of the Minnesota Fire Underwriters Association at the annual meeting held at Glenwood. Other new officers are: Vice-president, F. J. Dorman, Crum & Forster; secretary-treasurer, W. P. Canterbury, Caledonian; members of executive committee, August Quast, Baumann & Gordon; Henry Mauritson, Fireman's Fund, and George Blomgren, Security of New Haven. Holdover members are Edward Lorenzen, Aetna Fire, and J. J. Cane, Norwich Union.

E. G. Harper, state agent Northern of England, was elected president of the Minnesota State Fire Prevention Association at its meeting there; W. J. Mitchell, North America, and G. V. B. Hill, George V. B. Hill Co., vice-presidents, and W. P. Canterbury, reelected secretary.

Blue Goose Holds Dinner

Twenty-five members of Dakota Blue Goose attended the dinner as guests of the Minnesota pond, driving over from Alexandria, where the Dakota pond held a two-day outing. Plans for advancing L. L. Law for a grand nest office, introduction of guests and awarding of prizes in the pond's contests made up the program at the dinner.

Ed Wirth, former state agent National of Hartford, won the archery contest. G. W. Wiik, America Fore group, second, and E. H. Johnston, America Fore, third. Fishing prizes were awarded to R. D. Tyler, Nettleton & Tyler Co., adjusters, Minneapolis, most numerous string; George Duerr, Providence Washington, heaviest string, and C. H. Smith, biggest fish.

In clock golf, G. W. Wiik won first, A. R. Lofgren, Automobile of Hartford, second, and W. G. McKnight, Fire Association, third.

Various Contests Results

Class A ping-pong was won by Philip Baumann, with Ted T. Harper, Great American, second. Class B ping-pong was won by H. L. Hart, Glens Falls Indemnity, with L. A. McIntyre, Springfield F. & M., second. Class C ping-pong was won by Tom Marron, Employers group, with Fred Smith second.

George Blomgren won the rifle shoot, A. E. Schierholtz, Hartford, Fire, second, and Tom Marron, third. Class A trap shooting was won by C. R. Lill, Sun; S. W. DeWaard, Hartford, second; class B trap shooting, M. B. Ryan, Underwriters Inspection Bureau, first; Doug Baker, "Northwest Insurance," second. Shuffleboard was won by Carl Lill, Doug Baker second, and David White, Home of New York, third.

Several Managers Present

Among guests were W. N. Achenbach, manager western department Aetna Fire; W. J. Tippery, associate manager, Aetna Fire, Jacob Nelson, superintendent hail department America Fore group; and C. H. Smith, associate general agent western department, Hartford Fire, all of Chicago, and A. N. Nordstrom, deputy commissioner of Minnesota.

Ribbe's Field Is Divided

Emil Ribbe has been given supervision of Maine for Great American with headquarters at 40 Exchange street, Portland. Fred E. Stanton, Jr., who has been connected with the Boston office, becomes special agent in New Hampshire and Vermont with headquarters at Manchester, N. H. This arrangement is made following the death of Ben Barker of Portland.

Travelers Fire New Managers

Olp Resigns in Detroit—New Setup Is Announced for Michigan and Ohio Territories

Several changes in managers of mid-west offices have been announced by the Travelers Fire and Charter Oak Fire.

M. Robert Olp of Detroit, Michigan manager, is resigning to go with D. F. Broderick of Detroit and the recently organized Dearborn National Fire of that city. He is succeeded by J. E. Hayes, Jr., who has been manager for Toledo and Columbus, O. Mr. Hayes, a native of St. Louis, and a graduate of the University of Michigan, entered the Travelers organization in 1926, following several years with the Kentucky Rating Bureau at Louisville and the Fidelity-Phoenix in Oklahoma and Ohio. He will have charge of the eastern half of Michigan.

Western Michigan will be under the management of Gilbert E. Kelly, who was Mr. Olp's assistant manager, with headquarters at Grand Rapids. He is a native of Illinois and a graduate of Armour Institute. He went with the Travelers in 1927, following several years as chief clerk of the Illinois Inspection Bureau, Chicago.

Gordon J. Burrer, manager for Cincinnati and Dayton, O., takes over the Columbus territory as well, putting him in charge of central and southern Ohio. H. A. Ritter continues as assistant manager of the Dayton and Cincinnati offices, and H. W. Catterton as fire survey engineer.

Wisconsin Bureau Club Meets

MacDonald Is Elected President at Annual Meeting—Production and Public Relations Discussed

At the annual meeting of the Wisconsin Insurance Club, composed of field men of Western Insurance Bureau companies, at Elkhart Lake, Wis., these officers were elected: President, L. R. MacDonald, Dubuque Fire & Marine, Milwaukee; vice-president, Charles P. Hall, Standard of New Jersey, Wauwatosa; secretary-treasurer, Irvén E. Frey, Firemen's, Milwaukee; executive committee, William E. Parnemann, Northwestern National, Milwaukee; Carl Lofgren, Security of Iowa, Milwaukee, and Henry E. Miller, Concordia, Milwaukee.

A program of production and public relations was discussed and adopted for the coming year. Mr. MacDonald and Robert Wechselberg, Milwaukee Mechanics, were delegated a committee to follow through on this plan and report at the next club meeting scheduled to be held in Milwaukee early in August. Arrangements had been made to have as guest speaker of the convention Charles Timbers of the Fire Insurance Rating Bureau of Wisconsin, but because of sudden illness Mr. Timbers was unable to attend. The Bureau field men also attended the annual meetings of the Wisconsin Blue Goose and of the Wisconsin State Fire Prevention Association preceding their own one-day session.

Map Illinois Fall Campaign

A meeting of the new Illinois Business Development general committee with officials of Western Underwriters Association, fire preventionists, farm and automobile underwriters was held in Chicago Monday to map the autumn Business Development campaign in that state. Just prior to the meeting J. C. Burt, vice-president Illinois Fire Underwriters Association, who now heads the undertaking in Illinois, completed the appointment of the general committee. Mr. Burt is with the Fire Association.

The new committeemen together with the zones over which certain ones of them have general supervision are:

Thomas Kingsley, Jr., Travelers Fire, St. Louis; J. G. McHale, New York Underwriters, St. Louis, zones 13, 14 and 15; Henry O'Loughlin, Phoenix of Hartford, Chicago, zones 10, 11 and 12; G. W. Ireland, America Fore, Bloomington, zones 7, 8 and 9. V. L. Zimmerman, Crum & Forster, Elgin, zones 1 and 2; A. A. Knopp, New York Underwriters, Chicago; R. K. Johnson, National Union, Chicago; G. C. Bissell, Aetna Fire, Chicago; Rodney Wiley, Atlas, Chicago, and D. J. Harrigan, St. Paul F. & M., Chicago, zones 4, 5 and 6.

Wallace Rodgers, assistant manager Western Underwriters Association, being confined to his home with illness, was unable to attend the meeting Monday. E. H. Born, assistant manager W. U. A., who looks after farm matters, assured the conferees that the farm people will cooperate enthusiastically in the Business Development work. Material is now being prepared for use in the farm field and a farm Business Development committee will be appointed.

A committee of field men will also be appointed to seek to enlist the aid of the automobile departments in the work.

The 16 zones that were set up last year will be retained, but will be subdivided with the idea of holding smaller meetings for shorter periods.

When the campaign is reopened in the fall, the conferees decided that work should be divided into three phases. The first would be to review last year's theories, including the Dauwalter formula and to emphasize putting those theories in practical effect. The next phase will be reciprocity and the third public relations, including appearances of Business Development workers before schools, churches, service clubs, etc.

Dakota Field Groups Hold Meets at Alexandria, Minn.

Annual meetings of the North Dakota Fire Underwriters Association and the North Dakota Fire Prevention Association were held in connection with the Blue Goose splash.

C. C. Bye, Northern Fire & Marine, Fargo, heads the underwriters' association. L. E. Zell, Hanover, Fargo, is vice-president and Trimble P. Davis, Phoenix of Hartford, Fargo, secretary.

President of the fire prevention group is W. F. Halverson, America Fore, Fargo, with Frank A. Nelson, Norwich Union, Fargo, secretary.

At the meeting of the North Dakota Fire Underwriters Association, report was made by the general committee of the Business Development meetings. It was reported that they were well conducted and the cooperation on the part of local agents and field men was very gratifying. The fire prevention association arranged a program for the ensuing year.

The Dakota Blue Goose held its mid-summer splash at Alexandria, Minn., with about 25 members and 15 wives of members in attendance. An extensive program of sports and contests was staged. The Dakota and Minnesota ponds held a joint banquet.

Officers installed were Trimble P. Davis, Phoenix of Hartford, most loyal gander; H. A. Paulson, North America, supervisor; R. F. Thompson, Hartford Fire, custodian; E. H. Partch, America Fore, guardian; W. H. Mashek, St. Paul F. & M., keeper, and R. W. Hayward, National Fire, welder.

Guests were J. B. Cullison, Jr., manager, Rain & Hail Bureau, Chicago, and L. L. Law of Minneapolis, state agent London Assurance, deputy most loyal grand gander of the Blue Goose.

Ballow to New England Field

F. W. Ballow has been appointed special agent of the Eagle Star, New England, with headquarters in Boston, assisting State Agent P. M. Wilbert. Mr. Ballow replaces J. J. Schlaich, recently transferred to New York state as spe-

Home's Setup in Texas Field Now Reorganized



DENNY D. McLARRY

Denny D. McLarry, general agent in the Texas field for the Home, has asked to be relieved of direct responsibility. He is one of the best known field men in that state and has represented the Home 28 years. In the future he will function in an advisory capacity with headquarters in the Dallas office.

Hereafter the supervision of Texas and Oklahoma will be under the direction of M. L. Canfield and E. R. Smith operating under the firm name of Canfield & Smith, state agents. Mr. Canfield heretofore has been executive special agent for Texas and Mr. Smith, state agent for Oklahoma.

The Oklahoma city office will continue under the direction of C. H. Kelley as associate state agent.

cial agent. He went to the Eagle Star from the Talbot, Bird & Co. agency of New York City some time ago, serving first in the underwriting department and more recently as head of the reinsurance division. He will assume his new duties early in July, making headquarters in Boston.

Meet With Kentucky Field Men

G. C. Cundiff, assistant manager farm department Home, Chicago, and G. C. Craig, executive special agent, attended the Kentucky field men's annual meeting at French Lick Springs and then went on to Nashville, stopping on the return trip at Louisville for a one-day session with the Home's Kentucky field men.

Fills Banta Vacancy

A. J. McDavid, heretofore state agent in South Carolina for New York Underwriters, has been appointed Virginia state agent taking the place caused by the death recently of George A. Banta. He has been with New York Underwriters since 1926. During Mr. Banta's illness he supervised Virginia as well as South Carolina.

Iowans to Lake Okoboji

Nearly 200 Iowa field men and their families will attend the annual splash of the Iowa Blue Goose at Lake Okoboji, July 9-10. Headquarters will be at Crescent Beach hotel. J. C. Stuart is general chairman, assisted by J. H. Buntin, A. H. Alexander, R. P. Osier, Claude W. Borrett and Henry J. Lusem, all of Des Moines.

Joins Crum & Forster

Crum & Forster has appointed Lake Dupree Louisiana state agent with headquarters at 621 Maritime building, New Orleans. He succeeds R. M. Wylie, re-

signed. Mr. Dupree has been with the H. A. Steckler general agency in New Orleans.

Indiana Pond Annual Meeting

The annual meeting of the Indiana pond Blue Goose will be held in Indianapolis, July 12 with memorial services for members who have died the past year.

Chester Field Now in Ohio

Chester Field, for some time an examiner at the head office of the North British & Mercantile, has been transferred to the Ohio field as an inspector. He will work under the direction of State Agent E. O. Thompson in the Cleveland headquarters.

Field Men to Hear Julian

R. E. Julian of the Ohio Inspection Bureau has been asked to attend the summer meeting of the Ohio Fire Underwriters Association at Lake Wawasee, Ind., July 13, and explain various regulations and rulings of the bureau. Secretary Howard R. Underwood expects an unusually large attendance.

Nuckles Was the Host

Last week reference was made to a joint birthday party given by T. O. Nuckles of the Springfield Fire & Marine and O. D. Cox of the American in Kansas City to intimate friends among field men. The party was given by Mr. Nuckles. O. D. Cox, whose birthday was the next day, was a guest.

Olds in New Office

New offices have been opened by K. J. Olds, state agent Corroon & Reynolds companies in the Spring Arcade building, Los Angeles.

California Pond's Stag Dinner

More than 50 members and guests attended the annual stag dinner-meeting of the California Blue Goose in Los Angeles.

Outing at Decatur, Ill.

The Dan T. Smith puddle of the Blue Goose will hold an outing July 10 at the Sunnyside Country Club, Decatur, Ill. Golf in the afternoon will be followed by a dinner dance.

Miscellaneous Notes

P. F. Hilker, local agent at Racine, Wis., has filed a voluntary petition in bankruptcy in federal court, listing liabilities \$39,878 and assets of \$6,500, with \$850 claimed exempt.

The Gaedke-Miller Agency of Milwaukee has taken the agency of the Millers National.

The regular quarterly dividend of \$1 per share was voted by directors of the Fireman's Fund, payable July 15 to stockholders of record July 6.

AS SEEN FROM CHICAGO

AUTO SUPERINTENDENTS OUTING

E. A. Miller, Providence Washington, won permanent possession of the golf cup at the annual outing of the Automobile Superintendents Club of Chicago held at the Mohawk country club, Bensenville, Ill., with an 88, his third leg on the cup. The trophy was donated by the Boston. E. L. Rickards, branch secretary Automobile Underwriters Association, and E. A. Miller tied for low net with J. E. Guy, manager automobile department America Fore, next. Guests' low net prize was won by T. A. Pettigrew, manager Underwriters Adjusting, with H. L. Bredberg, National Service & Appraisal Co., second. E. A. Miller as golf chairman awarded the prizes.

* * *

R. M. MAGILL TAKEN BY DEATH

R. M. Magill of Wiley, Magill & Johnson, Chicago agency, died at his summer home at Long Beach, Ind. Services were held this week, burial being at LaPorte, Ind., the old home of Mrs. Magill, who survives him. Mr. Magill, who was 62, for two terms was treasurer of the Chicago Board. He had been for about 25 years a member of Wiley, Magill & Johnson, of recent years commuting between the Chicago office and his summer home several times a week. No change in the setup of the agency will be necessitated by his death, it was said. The remaining partners will operate it as before.

* * *

FAREWELL FOR J. K. NELSON

With about 135 in attendance, including loss executives of western departments and a number of western managers, Joseph K. Nelson, retiring assistant general manager of the Western Adjustment, was honored at a farewell luncheon in Chicago. Employees of Western Adjustment presented Mr. Nelson with a sterling silver coffee and tea service and the directors of the company gave him a large console radio. J. C. Harding, executive vice-president Springfield, president of Western Adjustment, made the presentation in behalf of the directors and was toastmaster at the luncheon. Several letters from branch offices and friends of Mr. Nelson were bound in a leather volume and presented to him.

Speakers were A. F. Powrie, western manager Fire Association and president Western Underwriters Association; T. E. Heald, superintendent loss department, National of Hartford, representing the Western Loss Association; Frank L. Erion, prominent independent adjuster; C. R. Street, vice-president Great American; R. J. Folonie, general counsel W. U. A. and Western Adjustment. H. A. Clark, vice-president Firemen's, who was to have represented the Western Insurance Bureau, was unable

to be present, and G. M. Blum, Underwriters Adjusting, replaced him.

All the speakers paid high tribute to Mr. Nelson's ability and character as displayed throughout the various stages of his rise to an important position in the Western Adjustment. Most of the speakers have been associated with him for many years and many humorous incidents of his career were reviewed. Mr. Nelson was deeply moved by the tribute and his reply was necessarily brief but sincere.

Among the guests present were Mr. Nelson's brother, Frank, manager of Western Adjustment at Louisville, and John F. Stafford, who retired as western manager of the Sun some time ago to become a citizen of Florida. Mr. Nelson plans to retire to a farm estate in the Kentucky blue grass country and invited every one to visit him frequently.

* * *

EGGERT TO ASSIST HIS UNCLE

Norman H. Eggert, surety underwriter connected with the Chicago branch of the Standard Accident for ten years, Aug. 1 will become associated with Waidner, Power, Zweig & Lasch there as a producer and to assist his uncle, C. F. Lasch, in handling his business. Mr. Eggert's entire insurance experience has been with the one company.

* * *

TO FORM HANDBALL LEAGUE

There has been considerable increase during the past year in interest in handball among Chicago insurance men. Plans are being made for a league next winter and a schedule. Since there is an insurance bowling league, basketball league and softball league, it is thought that the hand ball fans should also organize. Chicago insurance men interested in the game should communicate with P. W. Freilich, National Fire, second floor Insurance Exchange.

* * *

PASS PATROL PENSION BILL

The bill making changes in pension setups for fire patrols in Illinois municipalities has passed both houses and is awaiting the governor's signature. The measure was drafted in cooperation with the Chicago Board.

One of the principal changes is raising the eligibility for retirement age from 50 to 55. Assessment rate limits of companies and local patrol members are raised, and provision is made for the posts of vice-chairman, assistant secretary and assistant treasurer of the pension fund committees.

Assessment of local members of the patrols for pension purposes may be up to 4½ percent of their salaries, all on an equal basis. The patrol committee may pay into the pension fund up to 10

Chicago Agency Man Now Practices Insurance Law



CHARLES J. KOMAIKO

Charles J. Komaiko, son of S. B. Komaiko, for the last three years vice-president of the S. B. Komaiko & Co. agency in Chicago, has left the agency business to specialize in the practice of insurance law. He has opened an office in room 1133 at 33 North La Salle street.

He was prominent at the University of Wisconsin, has a Ph. B. degree from the University of Chicago, and a Doctor of Jurisprudence degree from De Paul Law School. Under his father he gained practical experience in all fields of insurance.

A younger son, W. K., who has been attending the University of Chicago, specializing in philosophy, has joined the Komaiko agency.

percent of funds paid by companies for patrol purposes, but this must not be less than twice the percentage of the assessment against patrol members.

The board is allowed to make gifts in addition to its regular allotments for pension funds, and there is provision that pensions apply to uniformed members of the force only. There is also provision for discontinuance of the patrol, and allocation of any pension funds left.

* * *

CHICAGO BOARD COMMITTEE

The nominating committee of the Chicago Board which will select three names to be voted on as directors at the quarterly meeting July 22 includes J. S. Goodwin, Cook county manager London Assurance; E. A. Henne, vice-president America Fore; J. I. Naghten; August Torpe, Jr., C. W. Weisz, A. F. Shaw & Co. H. J. Lorber, Rollins-Burdick-Hunter, succeeds R. W. Hyman,

HANOVER

WHY NOT?

Join the "Hanover Family"—You'll like our personalized agency Service and Contact.

\$4,990,000 CAPITAL JAN. 1, 1937

\$12,746,831 POLICYHOLDERS' SURPLUS

\$15,425,922 ASSETS

LOSSES PAID SINCE ORGANIZATION \$84,945,888

The HANOVER FIRE INSURANCE COMPANY of New York *Montgomery Clark, Pres.*

resigned, on the fellowship committee. H. T. Hazlett, rater, who had been with the board 25 years, was awarded a token. The board is still marking time on the \$1 service charge until a conference can be arranged with Director Palmer.

WESTERN FACTORY OUTING

Employees of the Western Factory, numbering about 75, enjoyed a day of games and picnic on the 10-acre estate of Assistant Manager J. R. Gathercoal in Wilmette, Ill.

Walter Scott, Jr., special agent in the Chicago service department of the Home, and Mrs. Scott announce the arrival of a daughter, Judith Ann.

Arthur Andersen, automobile superintendent in the Fireman's Fund western department, is bereaved by the death of his father, John Andersen, who was a retired carpentry contractor of Chicago.

Braddock Again Heads Grain Pool

L. J. Braddock, associate manager North America, was reelected president of the Underwriters Grain Association of Chicago at the annual meeting. All other officers were reelected, they being H. A. Clark, Firemen's vice-president; Richard Steinbeck, secretary, and Miss Alvina Jocken, treasurer.

WANTED

Young man thoroughly familiar with all Inland Marine lines to take care of that Department in a large General Agency in Indianapolis. Write in detail, stating experience and salary expected. Address P. O. Box 234, Indianapolis, Indiana.

WANTED

We can give the right man exclusive sales rights in any of the following States: Illinois, Wisconsin, Michigan, Indiana, Ohio and New England.

The White System Co., Inc.
P. O. Box 837, Richmond, Va.

WANTED

High grade man of good approach and standing, experienced in the general fire insurance and casualty business, for Cleveland, Ohio office. Splendid opportunity. Reply giving full details, including salary.

ADDRESS F-91, NATIONAL UNDERWRITER

WANTED

Experienced fire special agent for Chicago and Cook County by a local agency. Must control a substantial volume of business. Good salary for the right man. Reply giving full particulars as to experience, age and volume of business controlled.

ADDRESS F-95, NATIONAL UNDERWRITER

Georgia Is Found Inclined to Guard Agent's Interest

(CONTINUED FROM PAGE 4)

report to the department. A tornado caused approximately \$1,000,000 loss which the companies paid. Then an informer sued to collect the \$100,000 penalty. After long litigation the penalty was assessed. An appeal is pending before the Georgia supreme court.

"It is a very interesting development of the inequities we have often pointed out," Mr. Bennett said, "of property owners ignoring the admitted law-abiding companies and their agents and seeking to obtain preferential treatment from those who disregard the law. It is a truism that sooner or later the wheels of justice overtake those who ignore and violate the laws thinking that maybe somehow they can get away with it."

Has Beneficial Effect

He especially cited the Georgia supreme court's findings that the resident agent law was good because "if the company is required to pay to such licensed resident agent full commission in any event, it will not find it desirable to use him as a mere dummy, but will establish him as a genuine representative, with the qualifications and responsibility thought to be necessary in a person bearing such relations to the general public."

Mr. Bennett said, "That's a strong statement from a supreme court in support of the necessity and efficacy of a legitimate local agent who is entitled to the usual compensation provided under all circumstances; the agent to become the determining factor as to what part of such commissions shall in turn be paid to another agent or foreign broker who originally produces the business."

No Discrimination Found

"The court further decided that there was no discrimination between stock and mutual companies so far as the question at issue was concerned because the differentiation between stock and mutual companies did not apply to the payment of full commission, but only applied to the exception in favor of mutual companies to operate through salaried agents."

Mr. Bennett also discussed the Hartford Steamer Boiler's test case on the provision prohibiting salaried employees of stock companies from acting as local agents, which was upheld by the state supreme court. This court declared the difference in operation between stock and mutual companies was so well known and thoroughly recognized in law that such a classification was a reasonable one. The state supreme court felt there was a great benefit to the public in securing insurance from non-salaried independent agents and that if agents were placed on salary in a short time there would be no local agents in the cities and towns.

Close Decision in Test

The United States Supreme Court, however, by a five to four decision held the statute unconstitutional, basing its decision, Mr. Bennett said, on a number of previous tax cases where unreasonable classifications had been set up, and deciding there was no reasonable basis for permitting mutuals to act through salaried resident employees and excluding stock companies from the same privilege. The minority opinion found there was

reason for classifying mutual agents differently from stock agents and such classification could not be said to be arbitrary or unreasonable or to deny stock agents equal protection of the law.

Mr. Bennett commented on the oddity of the suit being instituted on the ground the law was discriminatory against stock agents for whose protection it was enacted, but the United States Supreme Court finding it was discriminatory against mutual agents.

Hosiery Sit-Down Loss Is Covered

(CONTINUED FROM PAGE 1)

until the date required to replace the physical damage. That is on the theory that, with a strike still in progress, there would be no loss of earnings due to the damage of machinery because even if the machinery were in order, it could not be operated.

Possibility of Subrogation

The factory mutuals are understood to be looking into the possibility of recouping by taking subrogation against the county of Philadelphia as well as acting against the union and its officers. The Pennsylvania statutes fix a liability for damage to property caused by mobs or rioters upon the counties of Philadelphia and Allegheny (Pittsburgh) and the persons in a riot or mob.

It is understood that Apex Hosiery had to pay double rates for its form B coverage due to the fact that the strike occurred within 15 days after the coverage became effective.

What Prompts Statement Agency System on Trial?

(CONTINUED FROM PAGE 1)

not be asked to cease writing unorthodox forms for big brokers; to cease paying excess commissions to brokers, to cease paying 40 and 50 percent commission for automobile finance business; whether national chain store accounts should not be placed on proper forms; whether companies should not cut rates in places where commissions are too high.

Force of Competition

The force of competition, he observed, makes some operators forget their obligations.

Mr. Grannatt said that the need today is for well informed agents. An agent should not seek to be rewarded merely because he lives in the same town as an assured and belongs to the same club. He should expect to be rewarded only for the service he gives. Mr. Grannatt said if he were an assured he would give all of his business to the best informed agent in town. The properly informed agent can handle big lines if he uses all the facilities that proper companies have to offer, he declared.

Mr. Grannatt made a decided hit. He had prepared a manuscript and due to the fact that he was the final speaker and the hour was late, he read his paper at top speed. A good many in the audience regretted that he had not been so placed on the program that he could have been more leisurely in his presentation.

Mrs. Myrtle J. Christensen of Aurora, Minn., has taken over the agency conducted by her late husband, C. T. Christensen.

Tense Session Is Held in St. Louis

(CONTINUED FROM PAGE 1)

been expelled who represent companies that are represented in the Marsh & McLennan-Case, Thomas & Marsh agency of St. Louis. At the earnest request of C. R. Street, vice-president and western manager of the Great American, the committee postponed its meeting for a week.

Mr. Street until a few days ago had refrained from injecting himself into the St. Louis controversy. He is not represented in the Marsh & McLennan-Case, Thomas & Marsh agency. But he was drawn into the situation when A. L. McCormack, head of the important Crane agency of St. Louis, indicated very strongly that he was prepared to go against the majority by refusing to resign those companies in his agency that are also represented by M. & M.-C., T. & M.

Mr. Street went to St. Louis for a conference with his agents Tuesday evening.

Difficult Issue Presented

The Great American was the first company to go into the Crane agency when it was organized about 40 years ago and has been the leader in that office. Mr. McCormack's stand presented a difficult issue to Mr. Street. About half of his St. Louis business comes from the Crane agency. He felt that he was very much in the position of an innocent bystander. It was necessary for him to go into action. He emphasizes that his interest is entirely personal; that he is acting entirely for his company and that he is functioning in no way as a representative of Western Underwriters Association.

Mr. McCormack went to Chicago a week ago Tuesday and had a conference with Mr. Street. Mr. McCormack then went to the east, presumably to call upon company executives that are vitally interested in the St. Louis developments. He appeared at the meeting of the National Association of Insurance Commissioners in Philadelphia.

During the week diplomatists had been busy seeking to devise some formula that would prevent a disastrous collision in St. Louis. That was a most difficult undertaking. The agents association had drawn the line, representatives of Marsh & McLennan had been quite outspoken, a definite issue had been created, bitter feelings had been engendered and a solution appeared to be very difficult.

Most company executives appear to have been reluctant to take a position in the St. Louis controversy. Most of them have decided that the companies can do nothing. The executives appear to have decided to sit on the side lines and await developments. They expect to receive resignations from agents in St. Louis and most of the executives are reported to be taking a rather philosophical attitude. They expect to lose agents in St. Louis.

Some executives felt that the future of the St. Louis board is in such doubt that it would be unwise for the company man to take a position and line up with the present organization, because of the generally recognized possibility that the entire setup in the city may be completely revised.

Some observers believe that in the long run a crack up in the St. Louis

NORTHERN ASSURANCE CO. LTD. OF LONDON

A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS

FIRE AND ALLIED LINES—AUTOMOBILE—INLAND MARINE

CHICAGO

NEW YORK

SAN FRANCISCO



organization might clear the atmosphere and pave the way for a new and better organization.

There have been no threats made but undoubtedly some company executives have in the back of their minds that if worse comes to worse they will be prepared to establish branch offices in St. Louis. If some of the big companies find that they are squeezed here they may take matters into their own hands to preserve their business. The organization companies, it can be said, are not eager to make such a move and are not looking for an excuse to do so. A branch office is an expensive piece of machinery. But it is undoubtedly true that a number of executives have in the back of their minds the possibility that St. Louis circumstances may come to the pass that the setting up of a branch office will seem to be the logical step.

More Than St. Louis Involved

Of course, the fact that complicates the St. Louis issue is that Marsh & McLennan is one of the most important offices in the country. Much more than the St. Louis business of Marsh & McLennan is involved. It is taken for granted that the Marsh & McLennan management would not look kindly upon a company that would leave their St. Louis office at this time.

Mr. McCormack's final official decision on the question of conforming to the "in-and-out" rules of the association as applied to the M. & M.-C., T. & M. situation is being watched with interest here and in Chicago. At an information meeting of agents held on June 11 he indicated that he would not drop companies affected by that situation. Should he stand by his guns and executive committee go through with its announced plan of expelling all members who are not in line a new situation will be created that in some respect will be more far reaching than even the M. & M.-C., T. & M. controversy.

F. H. Kriesmann, head of the agency bearing his name, recently officially informed the association that he would not drop his companies affected by the M. & M.-C., T. & M. situation. However, his action will have very little bearing on the general situation, some observers say.

Mr. McCormack is president of Central States Life while Mr. Kriesmann is president of St. Louis Mutual Life.

The week's delay has strengthened the position of the executive committee since it meets the objections voiced in some quarters that the high officials of Marsh & McLennan and the various companies affected should be given a further opportunity to work out some solution.

Fireman's Fund Veteran Retires

W. C. Faull, assistant cashier of the Fireman's Fund at the home office, has retired after 43 years of service. Mr. Faull has been assistant cashier since the 1906 fire and prior to that was an accountant with the companies. He is a brother of A. R. Faull, San Francisco general agent.

Evolution Through Sales

By CLARENCE T. HUBBARD
Assistant Secretary Automobile

U. & O. Forms Will Be Improved as
Conditions Are Met Through Experience

If thought is contagious, it's quite likely that there will be an epidemic of U. & O. discussions this year. And—hope the insurance executives—sales!

Use and occupancy is the insurance topic of the moment. It's in the air. Not for a long time has there been so much interest manifested in this controversial coverage, as there is right now, through articles, letters from, and to, agents, discussions before meetings, and in general insurance chatter.

It's a healthy sign, one of the welcome symbols of insurance recovery—interpreting the re-establishment of earnings and profits in industry. A "bull" market will undoubtedly continue for some time in U. & O. But let the public do the buying—let's us do the selling.

Some Critics Say Forms Are Not Streamlined

There are some students of this coverage among agents, field men and examiners, who feel that the underwriters and insurance carriers have been caught short in not having the present U. & O. forms sufficiently streamlined.

This may be so. Especially with the coinsurance forms which were so widely heralded but towards which there is an objection by some, in having to include total business expenses whether they continue or not in arriving at the sum of liability to be insured.

Others point to the Pacific coast and Texas "time to replace" U. & O. forms, which permit the assured to choose whatever number of months he intends to insure his earnings. Some of the outstanding U. & O. insurance salesmen take the position that this is merely a means of beating the devil around the stump. The shorter the term selected for insuring use and occupancy earnings, the higher the rate. In the long run, they aver, it cost the assured just as much and he might as well insure his gross earnings, even if he cannot collect the full amount insured, as the cost in the end will be the same. These students point out that it is the principle of all fire insurance to require one to insure 80 percent, 90 percent, or 100 percent to value, and that it is generally understood that total recoveries are quite unlikely.

More Satisfactory Form Has to Be Produced

Then there are deficiencies which can be pointed out, in the "per diem" form which do not permit meeting the fluctuating requirements of most industries. So, you see, there is still considerable work to do in producing what will prove to be a more satisfactory form for insuring use and occupancy.

Already several corrective ideas have been proposed which are now being considered and which if adopted may solve these problems at least partially if not wholly. The more activity there is in the development of use and occupancy, the quicker these results will come.

In the meantime, why should sales stop?

Admitting that the present use and occupancy forms may not be as perfect as they should be, nevertheless they are salable. The intelligent business man, in these days of recovery, does want to insure any interruptions to his earnings and especially to preserve any anticipated profits. He may point out deficiencies in the product being offered to him—but what product being sold today does not possess some shortcomings? One needs only to consult the Consumers Research bulletins, or copies of the Buyer's Union memoranda, to discover that nearly all products, including even the latest in motor cars, still possess a great many deficiencies.

Striving for Perfection Gives Opportunity to All

It is the striving towards perfection which inspires so many, and offers opportunity to all. Changes and improvement in "insurance products" have to be approached even more cautiously than the advanced ideas attempted with refrigerators, or radios, or other material objects, for if improvements are tried which prove erroneous, they can be corrected. The machinery for changing insurance forms and policies is so cumbersome that every change must be very carefully thought out.

Frankly admitting that there are still many deficiencies to overcome in U. & O. forms—deficiencies which are now being studied and improved upon—isn't it also a fact that there has been a lack of genuine salesmanship on the part of agents and others in endeavoring to put over this useful form of insurance? This has been due to lack of knowledge and practical experience on the part of those who have endeavored to push this form of insurance.

Use and occupancy or business interruption insurance is really business, accident and health insurance. Just as a man or a woman takes out accident and health insurance to protect his or her earnings from accidental interruption—so use and occupancy is business accident interruption insurance desired by industrialists, merchants and business men.

Contrast the salesmanship so successfully applied to "air conditioning" as compared with the sale of use and occupancy insurance. Any engineer will tell

you that the present air conditioning units being installed and particularly those in dwellings are far from perfect. In fact, much air conditioning equipment and facilities being offered are quite crude—nothing compared to what the systems will be in another five or 10 years.

Nevertheless, the idea of air conditioning has taken hold. It has been popularized. The salesmen for all large air conditioning manufacturers have been organized and instructed and told that they must go out and sell air conditioning equipment. This they are succeeding in doing, even though they take on many a headache in the faults they have to correct and the resistance to overcome. And their charges are not cheap. Many a client who has taken the position that U. & O. insurance is too expensive has had air conditioning equipment installed regardless of the price. Air conditioning is not developed by price alone, but by organized and aggressive salesmanship. A lesson, here, to us insurance people—to sell our goods, not merely whittle prices.

Sales Push Resulted in Oil Burner Improvement

It was quite the same with the original introduction of oil burners. They were by no means in their present state of perfection when they were first introduced. Nevertheless, the salesmanship applied to this form of automatic heating never wavered. The result—the present models being offered are quite streamlined. This has been made possible by the volume of actual sales created as well as the volume of sales anticipated, due to the "build-up" and satisfaction given. Engineering and research laboratories have been set up. Experiences have been traded. Today the product has made great advance and will go much further—and in its evolution has brought improvement to inferior forms of heating.

Why cannot we look upon the development of use and occupancy in the same light? Even though there are deficiencies in this present product—these deficiencies would be overcome more quickly if the product were sold more understandingly—more enthusiastically. If only a portion of the degree of salesmanship applied to air conditioning and other similar products was used in the pushing of U. & O., the fire insurance business would be quite surprised at the increased volume and, in turn, this would lead to much improvement in the coverage itself, and inspire attention to other neglected and yet salable allied fire and marine lines.

Changes Come in Meeting Conditions Through Experience

It's the evolution of our business that we must improve and change our methods, as we meet conditions through experience. The present increase in the volume of riot use and occupancy insurance may call for alterations in the form, as well as the result of the sit-down demonstrations, a new problem which

(CONTINUED ON PAGE 22)

NEW YORK
BUFFALO
PITTSBURGH
CLEVELAND
COLUMBUS
DETROIT
INDIANAPOLIS
MILWAUKEE
MINNEAPOLIS
DULUTH
ST. LOUIS

MARSH & MCLENNAN
INSURANCE
164 West Jackson Boulevard
Chicago

TULSA
PHOENIX
SAN FRANCISCO
LOS ANGELES
PORTLAND
SEATTLE
VANCOUVER
WINNIPEG
MONTREAL
BOSTON
LONDON

EDITORIAL COMMENT

Insurance Commissioners' Progress

THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS at its Philadelphia annual meeting showed that the organization is more cohesive and gives promise of accomplishing much more than it has in the past. It has been too loose-jointed and there has been too little coordination in its course. ERNEST PALMER, insurance director of Illinois, deserves great credit for starting the movement to modernize the organization, reduce its committees to those that have something to do, cutting out the driftwood and centralizing the work largely in the executive committee.

L. H. PINK, New York superintendent and chairman of the executive committee, made the remark that that committee should assume leadership. It should not wait for the obvious things to develop but it should cast its eyes ahead and be somewhat prophetic. It should divine possible accomplishments that are much to be desired and set the machinery in motion.

Therefore the standing and special committees will be expected to digest their discussions and make recommendations, sending their reports to the executive committee, which in turn will analyze them and see if in the opinion of the members the recommendations should go to the convention proper.

This will give the committees something to do. It will make the executive committee the guiding hand of the organization. The commissioners were not ready for an executive secretary as recommended by Mr. PALMER in his presidential address at the mid-year meeting but in the way of convention examinations and the discussion of worthwhile subjects, together with more time assigned to committee work, the association should be of greater moment and become far more potent. There is needed much more time for committee hearings, discussions and deliberations.

Need for Young Men of Promise

IN DAYS gone by, there was a real demand for outstanding, able and promising graduates of colleges. Representatives of different enterprises would go to seats of learning along in January, and endeavor to make a survey of the best material in the senior class. The depression came and instead of putting on more employees there was a sharp decimation in the ranks.

Now there is a growing demand for likely, all-around young men who are potent and ambitious. Unfortunately there have not been fed into the insurance stream

during the last few years sufficient young men who should at this particular time be very useful and sufficiently seasoned. This is forcing companies to cast about to get experienced material. Young men of fine judgment, good personality and who seem to have in them the elements of growth are in demand. Whenever we overlook the duty of constantly building an organization and keeping young men in training the business itself shows a decline. There should always be room for young men of the right type.

Interesting Illinois Provision

ONE provision in the new Illinois insurance code will be of interest to all states, that being the automatic appointment of the insurance director, if a policy is issued by an unlicensed company, to accept service of process. This, if it will stand, is a step toward better regulation of unlicensed companies. A company domiciled in a state and licensed there has the authority under the decision of the UNITED STATES SUPREME COURT to do business by mail in other states even if it is not licensed, although if it has an agent or representative in these unlicensed states he can be arrested. One of the greatest complaints today, especially due to the wholesale raids of unlicensed mutual benefit, assessment outfits, is due to the fact that they pay no attention to claims and the insurance commissioner of the state in which the claimant is a resident is powerless. That forces the claimant to sue the concern at its headquarters. The upshot

is that a claimant gets little or nothing.

At the annual meeting of the NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS during a session of the executive committee, the question of dealing with unauthorized companies came up. This is a very lively, most difficult and trying problem with which the state officials have to deal. Commissioner BLACKALL of Connecticut called attention to the fact that in some states there is a statute providing that when a non-resident motorist enters the state he must secure a permit and this automatically makes the commissioner of motor vehicles or whatever official supervises the automobile division as one on whom process can be procured. He suggested that this might be applied to unauthorized insurance companies. Commissioner YETKA of Minnesota challenged this statement, declaring that the motor vehicle law deals only with state affairs and property. The non-resident motorist uses state roads and

streets. If he causes injury or property damage he comes strictly under the state statutes. So far as unauthorized insurance companies are concerned, this is largely a federal matter because they use the mail in soliciting business and the state has nothing to do therefore with violators under the decision of the UNITED STATES SUPREME COURT that an insurance com-

pany can solicit business in states where it is not authorized. However, the unauthorized company issue is a disturbing and distressing one for the commissioners. Any effort that will bring such companies into line but which will not take away from the states their sovereign rights will be welcome. Let us hope the new Illinois provision will stand.

Interest in Farm Fire Defense

FORTUNATELY insurance organizations and companies are giving far more attention to farm fire prevention than they have. The farm owner has not the protection from a physical and economic standpoint that those in other activities enjoy. It is true that he can insure his property against fire, windstorm and kindred hazards. He can protect his crops by taking hail insurance. Yet there is no coverage that will reimburse him in case his crops are destroyed by other means which are far more prevalent. Then, too,

being outside of municipal fire protection, he must depend on the bucket brigade of his own family and neighbors. A farm fire unless caught in its incipency usually means a severe or total loss. By organizing volunteer departments and requiring farmers to meet certain requirements it is possible now to afford fire fighting help carried on in an efficient way. The insurance companies have recognized the efficacy of the plan by granting rate credit where a farmer meets the standards.

PERSONAL SIDE OF BUSINESS

J. H. Harrison, Louisville independent adjuster, has sailed for England on a business trip, planning to be away a month or six weeks. He also plans to visit northern France, where he was for 15 months as a major in the A. E. F.

S. B. Komaiko, head of the Chicago agency bearing his name, attended the middle west meeting of the Institute of Human Relationships held at Rockford College, Rockford, Ill., for four days. Mr. Komaiko is a man of broad mentality and philosophy, nationally known among the Hebrew-American people as a writer and commentator, and very active outside insurance in charity and relief work.

On behalf of the directors of the United States Fire and associated companies, President J. Lester Parsons presented W. H. Morris, who retired June 30 as New England manager for Crum & Foster after many years service, a fully equipped traveling bag. Mr. Morris also received a scroll, bound in embossed leather, attesting the esteem in which he is held by the entire head office force and by the New England field staff, all of whom affixed their signatures to the scroll.

F. E. Burke, who retired as vice-president of the Home at the close of 1936, and Mrs. Burke sailed from New York on a six weeks cruise to the North Capes.

Oscar Weber, 69, Toledo, O., died there. He had been ill for a year. He was president of Weber-Kleis Company until 1934.

P. J. Barthel, 74, assistant secretary of the Universal, died unexpectedly at his home in Newark. He was a director of Talbot, Bird & Co., and had been with that organization since 1916, acting as treasurer.

L. C. Stire of Denver, 58, general agent of the New Hampshire Fire for

Colorado, Nebraska, Utah and the Dakotas, died Monday in Lincoln, Neb., where he had gone to meet company officials, as a result of a heart attack, the second suffered within a year. Mr. Stire was a native of Lincoln and received his insurance training with the old Farmers & Merchants. He had been with the New Hampshire for 25 years.

W. E. Griffith, independent adjuster, recently elected most loyal gander of the San Francisco Blue Goose, has returned to his office following an illness which confined him to his home.

John M. Mendell, Pacific Coast manager London Assurance, is en route to New York and will return about the middle of July.

R. H. Fitz-Gerald, 81, pioneer local agent at South Pittsburg, Tenn., died there. He had conducted a local agency 51 years without interruption.

T. Garnett Tabb of Tabb, Brockenhough & Ragland will head the 1937 Community Fund campaign in Richmond, Va. He is a former president of the Insurance Exchange of Richmond, Virginia Association of Insurance Agents and Richmond Association of Life Underwriters.

William Rodiek, St. Louis local agent, accompanied by his wife has gone abroad for an extensive tour of Germany, Switzerland, France, Italy and Holland, and will be away until about Sept. 1. During his absence the agency will be in charge of William Rodiek, Jr.

One-twelfth of the United States (in area) will be host to the other 11-12th at the annual convention of the National Association of Insurance Agents in Dallas the week of Oct. 4, according to President J. R. Morris of the Texas Association of Insurance Agents.

"When I sit in my office in Texarkana I am 840 miles from the Texas members in El Paso," said President

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704

E. J. WOHLGEMUTH, President
LEVERING CARTWRIGHT, Asst. Man.

C. M. CARTWRIGHT, Managing Editor
Associate Editors: F. A. POST, C. D. SPENCER, D. R. SCHILLING

H. J. BURRIDGE, Vice-Pres.

JOHN F. WOHLGEMUTH, Secretary

W. A. SCANLON, G. C. ROEDING, O. E. SCHWARTZ

CINCINNATI OFFICE — 420 E. Fourth St., Tel. Parkway 3140. Louis H. Martin, Mgr.; Curtis C. Crocker, Vice-President.

NEW YORK OFFICE — 1200-123 William St., Tel. Beekman 3-3958. Editorial Dept. — G. A. Watson, Assoc. Ed., R. B. Mitchell, Asst. Ed., Business Dept. — N. V. Paul, Vice-Pres.; W. A. Spiker and J. T. Curtin, Resident Managers.

SAN FRANCISCO OFFICE — 507-8-9 Flatiron Bldg., Tel. Kearny 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

DALLAS OFFICE — 811 Wilson Bldg., Tel. 2-4955. Fred B. Humphrey, Res. Mgr.

HARTFORD OFFICE — Room 606, 18 Asylum St., Telephone 2-0856. R. E. Richman, V. P.

PHILADELPHIA OFFICE — 1127 Fidelity-Philadelphia Bldg., Tel. Pen. 3706. W. J. Smyth, Res. Mgr.

DETROIT OFFICE — 1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Res. Mgr.

ATLANTA, GA., OFFICE — 560 Trust Company of Georgia Bldg., Tel. Walnut 5867. W. M. Christensen, Res. Mgr.

DES MOINES OFFICE — 325 Insurance Exchange, Tel. 44417. R. J. Chapman, Res. Mgr.

Subscription Price \$4.00 a year in United States and Canada. Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act March 3, 1879.



Through Your GENERAL AGENT

****—"Exceptional"—a fitting adjective to employ in describing the service that the General Agent can render. He is an insurance specialist in his territory, covers every step of it thoroughly and is familiar with local conditions. He is NOT your competitor, but instead, is always ready to help YOU as a Local Agent.

ARKANSAS

Coates & Raines, Inc.
Little Rock

Trezevant & Cochran
General Agents Since 1876
Little Rock

KANSAS

T. W. Garrett, Jr.
Gen'l Agcy., Inc.
Kansas City

Kansas Underwriters
Wichita

KENTUCKY

Bradshaw & Weil Gen.
Agcy. Co.
Incorporated
Louisville

LOUISIANA

Trezevant & Cochran
General Agents Since 1876
New Orleans

OKLAHOMA

R. W. Drake & Company
Complete Insurance Facilities
Oklahoma City

Trezevant & Cochran
General Agents Since 1876
Oklahoma City

TENNESSEE

J. Virgil Richards Gen. Agency
Formerly
Hall & Benedict General Agency
Established 1914
Nashville Trust Bldg.
Nashville, Tenn.

TEXAS

Trezevant & Cochran
General Agents Since 1876
Dallas

* Know the General Agent in your locality. Write the office nearest you or the American Association of Insurance General Agents, Gas & Electric Bldg., Denver, Colorado.

Morriss. "I am just as close to Chicago as I am to El Paso and I am only 400 miles from the agents in New Orleans. When we say that all of Texas will be host to the agents of the United States in October we are covering a lot of territory."

Corroon & Reynolds of New York City, who operate a fleet of fire insurance companies, acted as hosts at the convention of insurance commissioners at Philadelphia, prior to the banquet, the firm giving a reception in the junior ballroom near the banquet hall. The officials in charge were Vice-Presidents John R. Barry and Albert N. Butler. Mr. Butler was formerly with the New York insurance department as head of its fire rating division in the New York City office.

Miss Elsie Leavy, who is the "right hand man" of Commissioner Daniel of Texas in the life department, usually attends the commissioners' meetings. She was the only woman connected with a state department at the annual meeting in Philadelphia.

Miss Virginia Dickinson Clutia, daughter of H. H. Clutia, president of the Northern of New York, was married at the home of her parents in Glen Ridge, N. J., to H. H. McConnell of Montclair, N. J. The bride is a graduate of the Mary A. Burnham school, Northampton, Mass., and of Smith college.

T. A. Hites, Iowa and Nebraska state agent of the Boston and Old Colony, has been confined to his home in Des Moines for three weeks by eye injuries sustained when he was trimming a hedge in the garden at his home. Mr. Hites is widely known for his interest in gardening, with the growing of fine roses as his special hobby.

George B. Wilson, president of the J. H. Leiding agency, Cincinnati, and Mrs. Wilson, are on a 45-day trip to Yellowstone and Glacier National parks, Banff, Lake Louise, and Montreal. Mr. Wilson is a member of the governing committee of the Cincinnati Fire Underwriters Association.

W. E. Zimmerman, local agent at Sheboygan, Wis., for the past 30 years and still active in the business, and Mrs. Zimmerman celebrated their golden wedding anniversary at a dinner and reception attended by 75 relatives and friends. The same attendants who acted as bridesmaids and groomsmen at their marriage 50 years ago attended the couple in commemoration of the event.

S. L. Vandevort, marine manager in the western department of Great American, underwent an operation for removal of tonsils. He is now back on the job and will leave Friday of this week for a two weeks vacation on a 55-acre farm that he purchased last year near Canton, Pa. He will be accompanied by John Osterby, Chicago manager for W. H. McGee & Co.

E. T. Beckman, local agent in the Farmers & Merchants Bank building at Long Beach, Cal., has been visiting in Chicago, the scene of his early years in insurance. He started as an office boy when he was 14 years of age with John Naghten & Co., Chicago local agents. He then connected with A. F. Shaw & Co., and then Rogers & Rollo. Mr. Beckman went to the Pacific Coast in 1910, with the coast department of the Royal in San Francisco. Later he took charge of an agency at Phoenix, Ariz. Subsequently he traveled for the Hanover Fire under Selbach & Deans, coast general agents, in southern California. He established his own agency in Long Beach and has built up a very considerable business.

W. T. Benallack, secretary of the Michigan Fire & Marine and wielder of the Michigan Blue Goose, has long decorated the programs for the Michigan

pond gatherings with appropriate verses exemplifying the spirit of "tote fair" that is the essence of the philosophy of the order. The Shrine convention in Detroit last week disclosed the fact that Mr. Benallack is just as active in the Shrine as he is in the Blue Goose.

The Royal Order of Jesters—one of the inner circles of the Shrine—was organized to preserve the Shriners' philosophy of trading smiles. More than 1,200 Jesters attended the annual banquet in Detroit, summoned by Impresario Benallack of the Detroit court. On the cover of the program was one of the well known Benallack verses, beginning:

"My hobby has been to discourage the scowl,
"And to toddle along without grumble or growl."

In addition to being impresario of the Detroit court, Mr. Benallack is international royal prelate of the order and was reelected to this post at the annual meeting.

Tax St. Louis Publications

ST. LOUIS, June 30.—The board of aldermen has passed the ordinance that will impose a 2 percent tax on the gross advertising receipts of all newspapers and other periodicals published here. Several insurance publications are affected. Other tax ordinances pending would impose a special tax of 10 percent on gross rentals of safety deposit boxes and 5 percent on gross receipts of fire alarm and burglar alarm systems.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business June 28, 1937.

	Par	Div.	Bid	Asked
Aetna Cas.	10	3.00*	90	93
Aetna Fire	10	1.60	44½	46½
Aetna Life	10	1.10	27	28
Agricultural	25	3.25*	82	85
Amer. Alliance ..	10	1.20*	21½	23
Amer. Equitable ..	5	1.70*	36	37
American (N. J.) ..	2.50	.55*	12	13
Amer. Surety	25	2.50	50	52
Automobile	10	1.20*	29	31
Balt. Amer.	2.50	.30*	6½	7½
Bankers & Ship. ..	25	5.00	99	103
Boston	1.00	21.00	615	625
Camden Fire ...	5	1.00	19	20½
Carolina	10	1.30*	23½	25
City of N. Y.	10	1.20	24	26
Contl. Cas.	5	1.20	26½	27½
Contl. (N. Y.) ...	2.50	1.45*	36½	37½
Cor. & Ry. com. ..	1.00	...	4½	5
conv. pvd. A. ...	1.50	...	87	91
Crum & For. com. ..	10	.90*	32½	34½
Employers Re. ...	10	1.60	46	48
Fed. (N. J.) new ..	10	1.40	39	41
Fidelity & Dep. ...	20	2.00	121	125
Fidelity-Phen. ...	2.50	1.45*	36½	37½
Fire Assn.	10	2.50*	70	72
Firemen's (N. J.) ..	5	.30	10	11
Franklin	5	1.40*	29½	30½
Gen. Reinsur.	5	2.00	38	40
Gibraltar F.&M. ...	10	1.20	25	27
Glens Falls	5	1.60	42½	44
Globe & Repub. ...	5	.80	18½	19½
Gl. & Rut. (com.) ..	25	...	52	55
Gt. Amer. Fire. ...	5	1.20*	25	26
Gt. Amer. Ind. ...	1	.20	8	10
Halifax Fire ...	10	1.00**	24	25
Hanover Fire ...	10	1.60	31½	32½
Hartford Fire ...	10	2.00	72	74
Htfd. Steam Boil. ..	10	1.90*	56	59
Home F. & Mar. ...	10	2.00	37	38
Home (N. Y.) ...	5	1.60*	34	35
Homestead ...	10	1.00	17	19
Ins. Co. of N. A. ...	10	2.50*	66	68
Kan. City F.&M. ...	10	.60	22	24
Knickerbocker ...	5	.80	14½	16
Lincoln F. (new) ..	5	...	3½	4½
Md. Cas., com. ...	1	...	5½	6
Mass. Bond.	12.50	3.50	59	61
Mer. & Mfrs.	5	.60	11	12
Mer. Assur., com. ..	5.00	1.60	45	48
Natl. Cas.	10	1.90	17½	19
Natl. Fire	10	2.00	63	65
Natl. Liberty ...	2	.40*	8¾	9
Natl. Union ...	20	4.00*	120	122
New Am. Cas. ...	2	.30	14	15
New Brunsw. F. ...	10	1.35*	32	34
New Hampshire. ...	10	1.60	48	50
New Jersey ...	20	1.50	47	49
Northern (N. Y.) ..	12.50	4.00*	97	100
North River ...	2.50	1.00*	23½	25
N. W. Natl. Fire ..	25	5.00	127	132
Pacific Fire	25	6.00	130	133
Paul Revere Fire ..	10	1.30	23	24
Phoenix, Conn. ...	10	2.50*	86	88
Preferred Acc. ...	5	.60*	17	18
Prov. Wash.	10	1.40*	32½	34½
Republic, Tex. ...	10	1.20	23	25
Rossia ...	5	.80*	9¾	10¾
Security ...	10	1.40	34	36
Sprgnd. F. & M. ...	25	4.75*	115	118
St. Paul F. & M. ...	25	6.00	202	207
Travelers ...	100	16.00	455	465
U. S. Fire	4	2.00*	51½	53½
U. S. F. & G. ...	2	...	22	23
Westchester Fire ..	2.50	1.40*	34	35½

*Includes extra. **Canadian funds.

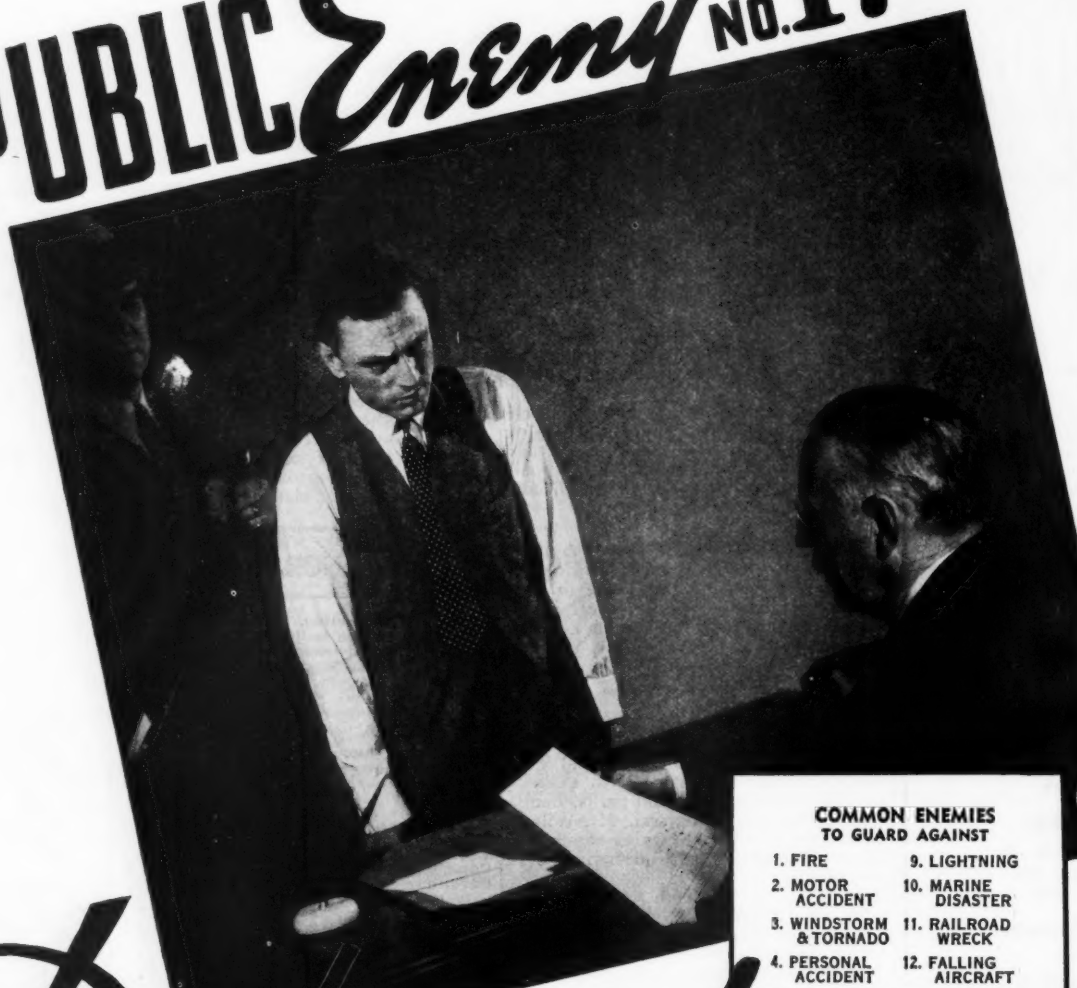


NATIONAL UNION
FIRE INSURANCE
COMPANY
Pittsburgh, Pa.



A
Good
Agency
Company

PUBLIC Enemy NO. 17



Dishonesty!

**COMMON ENEMIES
TO GUARD AGAINST**

1. FIRE	9. LIGHTNING
2. MOTOR ACCIDENT	10. MARINE DISASTER
3. WINDSTORM & TORNADO	11. RAILROAD WRECK
4. PERSONAL ACCIDENT	12. FALLING AIRCRAFT
5. SICKNESS	13. EXPLOSION
6. DAMAGE CLAIMS	14. RIOT OR CIVIL COMMOTION
7. BURGLARY	15. EARTHQUAKE
8. ROBBERY	16. FORGERY
17. DISHONESTY	

Regrettable but true, MILLIONS are lost annually through dishonesty of trusted employees, proving the "Human Factor" to be a formidable business hazard.

The honest employee today may be an embezzler tomorrow. INSURE his continued honesty and back him with the restraining power of a BOND.

Can any business afford to go without Fidelity insurance when every day's news records the ravages of that vicious "Public Enemy" DISHONESTY?

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853	Milwaukee Mechanics' Insurance Company ORGANIZED 1852
The Mechanics Insurance Co. of Philadelphia " 1854	National-Ben Franklin Fire Insurance Co. " 1866
Superior Fire Insurance Company " 1871	The Concordia Fire Insurance Co. of Milwaukee " 1870
The Metropolitan Casualty Insurance Co. of N.Y. " 1874	Commercial Casualty Insurance Company " 1909

WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS

CANADIAN DEPARTMENT

461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT

10 Park Place
Newark, New Jersey

PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.

SOUTH-WESTERN DEPT.

912 COMMERCE STREET, DALLAS, TEXAS

The NATIONAL UNDERWRITER

July 1, 1937

CASUALTY AND SURETY SECTION

Page Nineteen

Aim at Long Haul Risk Improvements

I. C. C. Regulations Seek to Put That Business on Insurable Basis

STRICT AS TO DRIVERS

Rules Effective July 1 Expected to Reduce Number of Accidents—Comprehensive Reports Required

Through the enforcement of its safety regulations, effective July 1, the bureau of motor carriers of the Interstate Commerce Commission is endeavoring to put the long haul truck business on a basis where insurance carriers, which have shied at that business in the past, will be able to write it. The casualty companies are cooperating actively with the bureau and some of them have reprinted in pamphlet form its safety rules and regulations for distribution to assured.

The provision for qualification of drivers is regarded by the bureau as probably the most important feature of the new regulations. On the physical side, they require good eyesight, adequate hearing and no physical deformity or loss of limb likely to interfere with safe driving. Eventually, a physical examination probably will be required, but for the present the bureau feels that this is about as far as it is able to go.

Must Read and Speak English

There are also requirements as to experience, competency, age (not less than 21) and ability to read and speak the English language. The bureau considers that this last requirement is especially important, as many cases have been found where drivers were unable to comprehend traffic and warning signs. A "driver identification form" embodying all this information is required to be filed for each driver.

The regulations also contain prohibitions against reckless driving, driving while the driver's ability or alertness is impaired through fatigue, illness or any other cause, drinking while on duty and excessive speed.

Will Compile Accident Reports

Certain accessories are required, varying in number, particularly as to the lights, for different types of vehicles. Regular inspections of this equipment are required and efforts are being made to standardize this equipment. The manufacturers are giving the commission the fullest cooperation in this respect and it is believed that the complete standardization can be effected within a year or so.

The requirement as to reports of all accidents, which went into effect April 1, is also regarded as of great importance. While these reports are confidential, the analysis of types and causes

(CONTINUED ON PAGE 39)

Observations Made at Commissioners' Meeting

By C. M. CARTWRIGHT

The National Association of Insurance Commissioners at its meeting in Philadelphia, voted to continue its zone examination plan and although there are some rough spots and a certain amount of criticism is directed at the method, it has only been in operation about five months. Most of the commissioners felt that it had succeeded very well considering the fact that it is new and that as experience goes on, it can be modified and improved. The feeling is now that the states are much better satisfied in that convention examinations will be more comprehensive and geographically represented. Secretary J. G. Read of Oklahoma acknowledged that although he voted against the plan at the start, he felt that it should be continued and that the results are more satisfactory than he had anticipated.

Machinery Been Revamped

The constitution and by-laws of the organization have been revamped and modernized and the committees combined so that they mean something. Palmer of Illinois can be given credit for bringing about this overhauling of the rules and regulations. The organization is now more compact, committee chairmanships and memberships mean something and it is thought that hereafter the machinery will run in a much smoother manner. The organization composed of state officials from all over the country finds it impossible to accomplish much between meetings, although naturally considerable business can be dispatched by correspondence. It is only possible to have interim committee meetings now and then.

Definite Work for Committees

In the past there has been a lack of cohesion and definiteness in the meetings. Indications are now that the committees will have definite assignments and almost all of them will see the necessity of meeting and making a report. Pink of New York, chairman of the executive committee, at its meeting declared that it should assume an attitude of leadership. It should not wait for something to arise but studying conditions and watching the omens in the skies, should suggest to the committees lines of thought which they should follow and researches which they should make. The committee recommended, and its report was adopted, that all committees make their reports to the executive committee prior to its meeting so that they can be thoroughly digested and discussed. The executive committee therefore will recommend subjects to the various committees aside from others that may arise and the committees are to go over them carefully and report back their recommendations to the executive committee.

It is evident that more time must be allotted to committee hearings and meetings. For instance, at Philadelphia the examinations committee which was considering the zone system which was put into effect following the Hot Springs meeting should have had one-

half day for that subject. It was a very important question that the commissioners discussed. It has many angles to it. Many were not heard and there was not the opportunity for a general expression of views that would have been exceedingly helpful. It would seem that an entire day or even more should be given to committee work, and the meetings would not overlap. Sometimes a commissioner is on two or three committees and he desires to attend all of them. Indications are that the committees will function much more effectively than they have in the past and hence their meetings will be of greater moment. It is proposed that hereafter just prior to the convention sessions proper there will be ample time given to committees. A number of set addresses could be cut in order to provide more opportunity for committees to function.

Entertainment Program

The entertainment offered by a city in which the convention is being held has reached the point where undoubtedly the executive committee will have to decide just how much time can be allotted and when to pleasure pursuits. At Philadelphia the first morning session was abruptly closed because the crowd had to go to Independence Square to witness the old time fire fighters. Then on the second morning a hasty adjournment had to be taken to go to Congress Hall where a special ceremony had been arranged. The local insurance people take great pride in offering hospitality and in trying to impress on everyone the generosity of the locality. That is wholesome and yet at times there is entirely too much entertainment which interferes with the orderly working of the convention. Chairman Pink of the executive committee undoubtedly will take into consideration not only the committee work of the convention but the entertainment features so that the latter will not interfere with the convention itself.

Expense of Meetings

Palmer of Illinois in his telegram of greetings and good will, sent from his home at Springfield, Ill., where he is recuperating from a serious appendicitis operation recommended that the former custom of the executive committee and some of the more important committees holding a meeting in Chicago in the spring be resumed. He stressed by this suggestion the need of more time being given to the convention work itself. There was an effort made to carry out his recommendation, but the point was made that with a number of commissioners they did not have the appropriation for expenses in attending so many meetings. Therefore, it seemed desirable to try at a meeting or two to have committee meetings held just prior to the convention proper so that definite action could be taken. Some committees will be able to function by correspondence, although that is somewhat unsatisfactory. Yetka of Minnesota strongly

(CONTINUED ON PAGE 28)

Weigh Scope of the Law Business

Trial Starts in Action Challenging Interference with Insurance Claim Procedure

PLAINTIFFS, SIX INSURERS

Boyle Clark, Main Defendant, Says Many Favor Denying to Insurers Right to Hire Attorneys

COLUMBIA, MO., June 30.—Hearings began this week in the suit brought by six mutual casualty companies that are seeking to determine whether their operations, especially the work of lay adjusters and claims department executives, constitute illegal practice of the law as has been alleged by Boyle G. Clark of Columbia, general chairman Missouri bar committee and the members of the state advisory bar committee. The case is being heard by a special court of three circuit judges.

The companies charge the Missouri statute defining the law business is "unconstitutional, unreasonable, indefinite and arbitrary."

The bar committees have taken the position that "neither the corporate nor the individual plaintiffs have any right to maintain a petition for a declaratory judgment, hampering or interfering with the enforcement of the criminal laws of this state or the enforcement of the rules of the supreme court of Missouri."

Evasion Is Alleged

The answer charged that the companies had "by pretended, though not substantial change in the method of supervision of some legal questions involved in the writing of insurance, attempted to evade the rules and decisions of the courts of Missouri made pursuant to their inherent power to control the practice of law and the provisions of the statutes relating to unauthorized practice of law."

The committees requested the court to grant a perpetual injunction enjoining the companies "from engaging in acts and conduct which the court determines to constitute the illegal and unauthorized practice of the law."

"The right of business men to handle certain routine aspects of their own affairs without being forced to hire attorneys," is the way the issue is characterized in a release in behalf of the companies.

History of Proceedings

The companies are: Liberty Mutual, American Mutual Liability, Lumbermen's Mutual Casualty, Hardware Mutual Casualty, Employers Mutual Indemnity and Employers Mutual Liability. Early this month they filed a petition for declaratory judgment upon what constitutes the practice of law under the statute and decisions of Missouri, naming as defendants Mr. Clark and the

(CONTINUED ON PAGE 27)

Unrestricted Competitive Methods Called Harmful

E. M. ALLEN'S VIRGINIA TALK

Urges Agents at Old Point Comfort Meeting to Use Cooperative Effort Instead

The American agency system is under fire in the present clash between essentially different bases of writing insurance, but agents should not attempt to fight fire with fire, E. M. Allen, executive vice-president National Surety, told the Virginia Association of Insurance Agents at the Old Point Comfort meeting. The competition of mutuals and non-association or non-board American stock companies is a direct frontal attack on the American agency system, he said, yet an agent who takes on a mutual, non-conference or participating company to protect his business is following the line of least resistance and endangering all of his business.

The only method to employ, he said, is to battle through determined cooperative action. Preservation of the American agency system rests in the hands of the agents, as has been demonstrated in a number of outstanding instances.

Cites Virginia Experience

In Virginia a year or so ago, Mr. Allen commented, a casualty running mate of an important fire company decided to enter the state on a cut rate basis, although the fire company was regular. Organized agents there gave the fire company the choice of operating in Virginia with the casualty company on a regular basis or losing all its fire representation, with the result the casualty company did not enter the state.

In another state, Mr. Allen said, a casualty company started writing on a cut rate basis. Its general agents also represented a number of fire companies. Organized agents notified the general agents the rating tactics would have to be stopped or the agents would resign the fire companies and a rate war was averted.

Similarly in Illinois, Mr. Allen said, where in recent years rating and cut rate tactics have meant virtual extinction of established agency plants and no business was safe from attack, through cooperative efforts of organized agents the insurance code was adopted. This, he said, will have the effect of reestablishing the agency business of Illinois on a permanent, secure basis.

Cooperative Effort the Solution

Mr. Allen said it does not pay local agents to attempt to save their business by using tactics of competitors. The legitimate competition of mutuals solicited by mail or direct to assured cannot reasonably be objected to, he said; legitimate competition of non-conference or participating companies as in the past must be anticipated. Agents representing organization stock companies should adhere strictly to their own type of insurance against rate-cutting bring their great power to bear on the problem. The danger of dallying with the other kinds of insurance, he said, is that these are organized on a basis which permits quoting lower premium rates and going after the business on a price basis alone. The mutual plan does not contemplate agency commissions, although some mutuals have been securing business by paying commissions to agents, and the non-organization stock plan does not involve an expensive field organization comparable to that of the organization stock companies.

Service Well Worth Price

The difference in rates, therefore, he said, represents to a large degree the commission cost to organization companies plus extra field expense of adequately servicing business. He feels the service rendered by agents is well worth the additional cost and the insurance

Significance of "Passenger for Hire" Decision Studied

Considerable interest is being shown by insurance people in the recent decision of the district court of appeals of California holding that Bankers Indemnity was not liable under an auto P. L. policy where the assured carried a passenger on a trip to inspect an article that the assured was trying to sell.

President H. P. Jackson of Bankers Indemnity comments on the significance of that decision. Bankers Indemnity issued its policy to Western Machinery Company. One Lawton accompanied an employee of Western Machinery on a trip to inspect and purchase machinery in which the parties were mutually interested. On the trip there was an accident and Lawton was injured. Lawton sued Western Machinery on the ground he was riding in the automobile as a passenger for compensation. Mr. Jackson observed that Lawton probably felt he had a better chance to recover by alleging such a relation than he would if he placed himself in the category of a guest, since there is an anti-guest suit statute in California.

That allegation created a problem for Bankers Indemnity due to the fact that the standard exclusion provides the insurer shall not be liable if the automobile is used to carry passengers for consideration, actual or implied. Bankers Indemnity decided to handle the suit under a non-waiver agreement. The action was settled by Western Machinery with consent of Bankers Indemnity for \$1,350.

Western Machinery then sued Bankers Indemnity and obtained judgment in the San Mateo county superior court.

Bankers Indemnity appealed to the California appellate court which held it is not necessary in order to constitute one a passenger for hire that there be a money consideration for the carriage. It is sufficient that some benefit or advantage or profit shall inure to the carrier.

Mr. Jackson expresses the belief that National Bureau of Casualty & Surety Underwriters will give consideration to the necessity of defining the present exclusion, as to whether it shall apply to an actual money consideration, or otherwise.

buying public is entitled to and should have this service.

Mr. Allen cited an example of the loss which may occur to an agent even when he organizes his office to fight fire with fire. One of the National Surety's Illinois agents equipped his office to compete in writing blanket bonds and fidelity, a field that was much disturbed, and he was prepared to use every irregular practice encountered. He increased his volume 30 percent last year, but his net income was decreased 10 percent.

"The danger of it all," Mr. Allen said, "is the attempt to play fast and loose with your customers. How can an agent protect part of his business through irregular methods without endangering his business as a whole?"

Dr. Stack Speaks on Coast

SAN FRANCISCO, June 30.—State and city officials, representatives of the leading civic organizations and clubs, and others prominent in safety work welcomed Dr. H. J. Stack, director of education for the National Bureau of Casualty & Surety Underwriters, at a luncheon here today.

Dr. Stack speaks tomorrow evening on automobile traffic control and regulation before more than 300 students of the San Francisco traffic school. His lecture schedule included: College of the Pacific, June 28; San Francisco State College, June 29; University of California, June 30-July 1; San Jose State College, July 2; Stanford, July 5-6; University of California, Los Angeles, July 7; University of Southern California, July 8-9.

Sees Early Revision of Form for Savings Banks

PARLEY IS TO BE HELD SOON

Banker Expects Conference Companies to Put Out Instrument to Compete with U. S. Guarantee

A committee of savings bank operators will in the early future have a conference with the Surety Association of America for the purpose of more fully developing the proposed revision of the No. 5 form, which is the conference companies' blanket bond for savings banks. This information was given to members of the New Hampshire Bankers' convention by R. B. McGaw of the Hampton Savings Bank of Springfield, Mass.

Since 1927, United States Guarantee has captured an increasing amount of savings bank business so that now that company has the bonds covering about 50 percent of the savings banks operating in 18 states, he observed. U. S. Guarantee in 1927 made available the so-called Nams form. Under that form experience rating is employed so that a bank can enjoy a rate reduction as high as 20 percent. The Nams form provides retroactive coverage whereas the No. 5 form must be specifically endorsed to provide the same. In the Nams form change of location or additional premises is covered without notice whereas in the No. 5 form they must be accepted by the company before being covered. Nams applies to withdrawal orders without limitation, whereas No. 5 has certain restrictions. In the arbitration of small losses Nams provides that disputed losses not exceeding \$5,000 may be arbitrated. Nams includes aircraft damage, whereas No. 5 warrants its coverage free of all such claims. There is no trust receipt exclusion in Nams but there is No. 5.

Conference Companies' Position

For the past 10 years conference companies have made numerous efforts to regain the business which they formerly possessed. Last year the savings bank committee was approached with the suggestion of a conference with the Surety Association of America. After certain negotiations the conference companies have presented the bankers with a tentative form of coverage which in the main will meet in point of provisions those of Nams form. It remains to be seen, however, he said, whether the conference companies will be willing to write an experience policy.

He gives a comparison of costs between No. 5 and Nams. On a \$25,000 bond, the premium for No. 5 is \$400 without any reduction. Nams takes a premium of \$360 the first year, \$340 the second and \$320 the third and succeeding years. That illustration is built upon banks having at least 10 employees with no branches and the premiums are calculated on the exact number of officers and employees at a main office and each branch and the amount of insurance desired.

Mutuals to Enter Field

Mr. McGaw stated that certain mutual companies are about to enter the field. He expressed the belief they will offer provisions equivalent to those now in use.

Mr. McGaw discussed the New Hampshire law amendment effective Aug. 1 of this year affecting surety bonds. Under that amendment the treasurer of every savings bank shall give a bond of at least \$25,000 penalty and not more than \$100,000. There is a provision that, according to the deposits, there shall be added in certain circumstances a further sum of \$5,000 to the minimum penal sum, according to the increase or state of the deposit.

The bank commissioner under the amendment must require each institution to provide for the reasonable pro-

Michigan Legislature Passes Measures in Final Session

BROADEN BLANKET BONDS

Reduce Financial Responsibility Limit—Increase Compensation Board—Modify Occupational Disease Provision

LANSING, MICH., June 30.—A number of bills were squeezed through the final session of the Michigan legislature. One broadens the permissible coverages which Michigan casualty and surety companies may include in blanket bonds for financial institutions, putting them on a competitive par, it is claimed, with similar carriers domiciled in other states and writing business in Michigan. The broadened coverage permits writing of protection against virtually any hazard but fire on a variety of holdings of financial institutions for which they are responsible.

Another bill finally passed permits Michigan casualty companies to alter their capital stock set-ups at the discretion of their boards of directors and the insurance commissioner and reduces from \$10 to \$1 the permissible par value of such carriers' stock.

Reduce Judgment Limit

A measure which will result in sizeable savings for rating bureaus and raters cuts their respective annual fees from \$250 to \$25 and from \$25 to \$2.

A bill was passed to reduce from \$300 to \$150 the amount of unpaid property damage judgment which may be assessed against a motorist without bringing him under the autoists' financial responsibility law.

Passage several weeks ago of the occupational disease act brought the adoption of two other measures during the closing hours of the session. One bill passed enlarges the department of labor and industry from four to six commissioners, three of whom must be lawyers and the remainder of other professions.

May Waive O. D. Benefits

A second measure sets up new provisions for lump sum payments and further provides that a sufferer from "dust diseases" may waive benefits under the occupational disease law in order to keep his job. Possibly a majority of stone workers in the state, it is claimed, have silicosis in a mild form. Application of the new law with no exceptions would demand dismissal of such workers, it appears certain. The law permits silicosis awards up to \$3,000 if the disease has proved fatal or permanently and totally disabling. Another measure belatedly passed requires all licensed physicians to report to the department of health all deaths from the recognized occupational diseases.

The bill to prevent Lloyds from continuing to write "stop-loss" coverage for compensation self-insurers in the state was pigeon-holed. It would have amended the workmen's compensation act to require that any insurance purchased by an employing concern operating under the act be subject to approval of the insurance commissioner.

tection of the institution against losses for certain dishonest or criminal acts as the commissioner may determine. The bank commissioner shall not require such protection in excess of \$100,000 against losses resulting from the acts of any one person.

The insurance commissioner under the amendment must pass upon the form of bond. Any institution has the right to appeal if it feels the requirements of the bank commissioner are excessive.

Included in Mr. McGaw's address was comparison of various features in forms No. 8 and No. 2 for commercial banks.

The Carlson & Friday agency, Osceola, Ia., has purchased the insurance business of H. G. Shields, Murray, Ia.

Retrospective Rating Plan Found Non-discriminatory

DE CELLES IN DISCUSSION

Massachusetts Commissioner Continues Support of Method at State Supervisors Meeting

Retrospective rating of workmen's compensation risks is a logical extension of experience rating, giving immediate charge or credit to a risk as soon as experience is developed and thus providing greater flexibility, Commissioner DeCelles of Massachusetts declared in leading the discussion of this subject at the commissioners convention in Philadelphia.

This is not the only reason, however, that he approved the plan a year ago for use in his state. Mr. DeCelles said the plan in Massachusetts after a year's trial still has a number of defects but it is better than straight experience rating, and he believes it is a valuable, progressive method. It especially meets the Massachusetts problem, where self-insurance is forbidden. It is no more discriminatory than experience rating and helps carry out the legislature's intent to protect working men.

Special Problem Exists

With passing of depression, he said, payrolls are rapidly increasing and factories reopening. Under such conditions rate revisions cannot keep pace with rapidly changing conditions; an adequate rate based upon depression payroll is an excessive rate in times of normal payrolls.

The principle of graduated commissions and graduated expense loadings in the retrospective plan is not a new one, Mr. DeCelles said. Agents and brokers have accepted on large target risks commissions even lower than those in the retrospective plan in order to meet competition, and companies and bureaus have accepted reduced loadings under the "subterfuge of experience concessions." The commissioner said that such methods are discriminatory, but under the retrospective plan they are made available to all risks developing a certain experience and premium volume, and thus are not discriminatory.

Susceptible of Extension

The retrospective plan could well be extended to include all experience rated risks, he said. The result would be the risk constantly would seek to improve its rating through safety devices, accident prevention and strict compliance with recommendations and requirements.

Graduated commissions and expenses should be viewed as proved business principles and not as concessions, Mr. DeCelles said. Self-insurance and self-rating are not the same, and retrospective rating is not self-insurance. It gives greater protection to working men than self-insurance, stop-loss policies or non-insurance, he said.

Reliance Life Has Outing

Use of accident and health as a help in selling life insurance was a principal subject at the western regional convention of the Reliance Life of Pittsburgh held at Colorado Springs last week. All offices west of the Mississippi were represented, Chicago being the only one east of the river to be represented at this convention. All eastern and southern people attended the convention at Asheville, N. C., early in June.

In addition to several life department men, the following accident and health people spoke: B. L. Sichelstiel, assistant secretary for accident and health; B. A. Perry, Houston, "Use of Accident and Health as a Help in Selling Life Insurance," while a record of the talk by President A. E. Braun was presented.

How One Agency Is Able to Handle Long Haul

Long haul truck cargo insurance is rather hard to place, yet because of the big premiums involved agents are constantly trying to edge in on the business. Companies will often have the long haul line on their prohibited list and it takes strong inducements to get them to accept a risk.

Careful underwriting and great watchfulness are required to make the long haul business profitable and win the confidence of the insurance companies. A. M. Creed & Co., of Detroit have built up a rather large line of such cargo business by giving close attention to every detail. The agency calls itself the "oldest marine house in Michigan" and got into the business through its marine connections. It was originally a "wet" marine office and at one time had, and possibly still has, probably the largest volume of yacht business on the Great Lakes. Cargo is a marine line and on its standing with its companies on both "wet" and "dry" marine the agency was able to get some truck business accepted when the depression dry docked the yacht business. By producing a profit on its cargo risks for the insurance companies, it has been able to expand that line until its volume is now considerable.

Problem Is to Make Risks Profitable

The problem is either to select profitable risks or make them profitable and to control the losses the agency has taken more and more of the underwriting into its own hands. The first step is a searching questionnaire devised by the agency which brings out not only the record but a good deal about the operating methods of the prospect. This questionnaire has been adopted by some companies for general use. The next is a thorough investigation of mechanical conditions of operation. This involves not merely the truck and trailer units, but the method of maintaining mechanical standards and a study of operating personnel.

Study of the record, going back three years if possible, not only gives the record on loss ratio, but reveals the type of losses that have been occurring and suggests measures to be enforced to make the risk acceptable. Two requirements are enforced. A risk must follow reasonable standards of operation and maintenance, and it must be good pay, otherwise it is dropped. Mr. Creed believes that mine run underwriting will never produce a profit on truck cargo risks. A company that merely looks over the offerings of its local agency force, endeavoring to pick the good from the bad, will be unsuccessful. The insured must be taught or helped to prevent losses.

Watch Kept on Experience of Every Risk

Close watch is kept on the experience of every risk. The agency has its own loss report blank and supervises the adjustments. On the first report of a loss, an estimate of the amount is entered in pencil on the record sheet. This may be revised before final adjustment, when the amount of the loss, with the cost of adjustment, are entered in ink. Thus the agency has a very close approximation of the loss record, even before the last losses are adjusted.

Premiums are a percentage of the freight income of the hauler and settlements are made monthly, on audit. This gives an up-to-date comparison of premiums and losses. Rates may be changed on six months experience.

Ignorance and inattention are the causes of risks going bad, but no risk is too bad to write if the insured will give

his cooperation. On one new risk the preliminary investigation revealed such conditions that the policy was written only with endorsement, accepted by the assured's signature, limiting the coverage to units that were passed and approved by the agency. Out of 60 units, only 10 were approved on first inspection. The others had to be overhauled and put into condition. The risk eventually earned a low rate. Another risk, with everything in its favor, and after running at a profit for a couple of years, turned sour in a couple of months. The close check on premiums and losses promptly revealed the condition so that corrective measures could be taken.

Weather Conditions Play a Part in Loss Record

Keeping close watch on the losses means that the causes of loss can be located with certainty. The chief causes are mechanical neglect, tired drivers, and time schedules that require too much speed. Another cause is the attitude of the trucker about dispatching regardless of weather conditions. "The mail must go on" is a thrilling slogan, but its parallel in the freight business is sometimes costly. Fog, snow and soft shoulders beside the concrete cause many losses. One concern, which buys cargo insurance but carries its own risk on equipment, will not send out a truck in bad weather. The result of such care is that it enjoys a 50 cent rate.

The change of date for bringing out new automobile models has had a good effect on the cargo risks on "haul-aways." Formerly the great activity

(CONTINUED ON PAGE 27)

"March of Time" Leads the Magazine Into Strange Path

The well known magazine, "Time," which delivered a very strange criticism and what might be considered an attack on legal reserve life insurance in its issue of May 31, makes a humiliating confession in its current issue in commenting on the letter from President T. M. Riehle of the National Association of Life Underwriters, saying that the data and comment it presented did not originate with the magazine itself but what it said was a summary from the works of David Gilbert and James P. Sullivan, two of the life insurance business's severest and most vociferous critics. Evidently "Time" made no attempt to ascertain the standing and reputation of Gilbert & Sullivan. It did not question the validity of their statements. It evidently did not know what was back of their movement. It seems almost incredible that a magazine of its standing would treat such a big subject in a superficial way, going to its enemies for ammunition. Trustees of the National Association of Life Underwriters after reading the article believed it to be "unfair, inaccurate and misleading." In a bulletin to local associations it said "Time" did not print all of President Riehle's letter to the editor.

The trustees of the National Life Underwriters Association said as to the "Time" article:

"We believed it to be unfair because of its hostile and cynical attitude toward the business of life insurance; inaccurate in that it contained statements which are false; misleading because of its one-sided character, little or no attempt being made to present both sides of any of the questions discussed."

Makes Bail Bond Arrangement

The Fidelity & Deposit has entered into an arrangement with the American Automobile to furnish bail bonds on request to American Auto policyholders.

New Interests Now Control Empire Mutual of Chicago

SHLENSKY SELLS COMPANY

J. D. Stinson Is New President—Will Enter Truck Insurance Field On Limited Scale

Announcement is made this week by Harold Shlensky, heretofore president of Empire Mutual of Chicago, that he has disposed of his interest in that company and has completely severed his connection with it. He states that the new operators purchased for \$60,000 his surplus notes in Empire Mutual.

Jack D. Stinson of Wilmette, Ill., is the new president. Until a few months ago he was president of Shoreline Motors, Dodge and Plymouth dealers, of Winnetka, Ill. A. W. Lindroth, who has been an insurance broker for a good many years at 10 South LaSalle street, is the secretary. He was at one time cashier of the People's & Merchants State Bank of Park Ridge, Ill.

Other Directors Named

Two others in the purchasing group go on the board of directors. They are L. W. Thompson, an attorney, and A. B. Becker, an investment man.

The other directors are insurance agents or general agents, who have been interested in Empire Mutual. They are John Moore of Columbus, O.; Joseph Goodpasture of Hutchinson, Kan., who is also treasurer of Empire Mutual, and Daniel Siegel of Detroit.

Empire Mutual is licensed in Illinois, Michigan, Maryland and D. of C. Mr. Stinson states the intention is to get the company licensed in several other states. The new management expects to write principally private passenger car business but will get into the trucking field.

Change in Management

Empire Mutual was organized under the name of Central Mutual of Illinois. The management is completely changed, according to the new owners, except that the general agents who have been active in the affairs of the company in recent months continue as directors, and L. A. Polk remains as vice-president. Empire Mutual was started in December and according to Mr. Shlensky, now has 450 producing agents.

Central Mutual Plate Glass

Mr. Shlensky retains control of Central Mutual Plate Glass which he states is writing about \$5,000 in premiums a month. He is president of Bankers Finance Company which finances automobile insurance premiums, and he has a number of other interests including the Belson Plastering Company of which he is vice-president and Crolley, Inc., auctioneers, of which he is vice-president. He states he is a director in eight other companies. He will have an office at 100 West Monroe street, Chicago, separate from that of Empire Mutual, which is in the same building.

Harry S. Tressel, with whom Mr. Lindroth shared an office at 10 South LaSalle street, handled the negotiations with the insurance department. Mr. Tressel is an accountant specializing in insurance matters.

Returned to Local Agents

Goodrich tire stations, which formerly were covered under blanket policies, now may be covered locally, the local managers having been given permission to place this business in that way, according to a bulletin of the Harrisburg, Pa., branch United States Fidelity & Guaranty. This arrangement thus gives local agents a chance to get the business.

C. R. Edwards, 44, of the agency of C. C. R. Edwards, Chester, S. C., died there following a week's illness.

Evolution Through Sales of U. & O., Hubbard's Theme

(CONTINUED FROM PAGE 15)

may have some bearing on the wording of our present-day riot use and occupancy forms. The present strikes and labor troubles have brought into the limelight the many contingent U. & O. forms which can be provided in connection with the furnishing of materials and supplies.

It's rather difficult for any up-to-the-minute insurance agent or broker to avoid use and occupancy insurance, even though it may have its imperfections. This is a day of insurance surveys and insurance analyses and these surveys bring out the requirements of use and occupancy insurance. Trade papers throughout the country are carrying articles informing their readers as to the need of a complete insurance program. Bankers are beginning to demand insurance surveys from their borrowers to make certain that the borrower is properly insured. The federal government through its many loan and financing agencies requires a rather complete program of insurance from those it assists. Use and occupancy is such an important supporter of credit that it cannot be ig-

nored by insurance men, honest in their endeavor to properly serve the insuring public.

Back all this with genuine salesmanship and U. & O., as well as you and I, can go places.

Chicago Plate Glass Losses

Companies writing plate glass insurance in Chicago find that since the recent arrest of a number of people supposed to have guilty knowledge or been guilty of malicious breakage, the claims due to malicious damage have just about stopped. The broken or cracked panes are now due to accidental causes. Undoubtedly, in the opinion of plate glass men, breakages were largely due to malicious intent it being supposed that those back of the movement were seeking to create more work for glaziers. Plate glass writing companies think that State's Attorney Courtney is responsible for the roundup of suspects and they are confident that if he is able to break the gang that is breaking glass, he will deserve special credit. Chicago has been infested for many years with those that are engaged in this kind of work.

Haring Assistant Secretary

The appointment of C. C. Haring as assistant secretary of the American Casualty of Reading, Pa., in charge of the automobile department, is announced.

Mr. Haring has been in the insurance business since 1919, when he started as an office boy with the Royal Indemnity. Since 1925 he has been connected with the Metropolitan Casualty Co. and the Commercial Casualty as automobile underwriter, home office head underwriter, assistant superintendent of the automobile department, superintendent of the automobile department and more recently, assistant secretary of all companies in the Loyalty group.

He is working on a combination comprehensive form automobile policy which, in addition to the present eight point coverage, will include "Drive Other Cars" coverage, thus giving complete protection to automobile owners in one policy.

May Decide on New Location

NEW YORK, June 30.—Final decision as to the selection of new quarters for the Association of Casualty & Surety Executives and National Bureau of Casualty & Surety Underwriters will probably be reached at a meeting of the committee tomorrow. The gathering yesterday proved inconclusive. The affiliated organizations at their meetings in May decided to remove from One Park avenue to some building downtown.

Sees Illinois Pools Ready Aug. 1

The Illinois Industrial Commission states that the machinery for compliance with the new statute for compulsory assignment of undesirable, compensation and O. D. risks will probably be com-

pleted by Aug. 1. Carl Kirk, assistant U. S. manager of the Zurich, presented the proposed plan for a stock company pool to the commission in behalf of his group and the mutuals are having a conference with the commission tomorrow.

May Auto Deaths Up 7.1%

The National Safety Council estimates that automobile traffic deaths in May numbered 3,000, increase 7.1 percent over May, 1936. For the first five months deaths numbered 14,270, increase 17 percent over the same period in 1936.

ANSWERS

Question—What do you mean by the reporting form of policy and what must one do to establish a policy of this kind? What is the minimum premium that will be accepted? What are the mechanics of putting it into effect and carrying out the contract? What are the main classes of business that are interested in such a policy?

Answer—This term is applied to any type of fire insurance coverage the amount of which is varied by reports from the insured or his agents so as to cover values as they fluctuate. Under policies of this type, the assured, if he complies with all the conditions and reports correctly, has full coverage at all times, but pays only for the insurance he needs on a pro rata basis.

The oldest form of reporting policy, which has become obsolete to a great degree, is the general cover contract. This is really an open binder for insurance on a number of different locations issued by a fire company, after receipt of a statement of the assured's different locations, present actual value of stock in each and probable maximum value at the different locations. Companies usually wrote these contracts only in at least five locations in at least two cities. The company agrees to issue fire insurance under the standard fire policy in the different states in which risks were located, covering the different values, and the assured agrees to report new locations and actual values every month.

The Interstate Underwriters Board forms have largely displaced general cover contracts on inter-state risks. These forms may be issued after the assured's agent or broker of record has applied to the office of the I. U. B. at New York, Chicago, Atlanta or San Francisco for an average rate. Five or more locations in two or more states under a single ownership are required for these forms. The assured agrees to report his actual values every month, either his values at the end of the month under one form, or his weekly average values for the past month under another form. The minimum deposit or provisional premium is \$500 and the minimum final retained premium is \$300.

For property in a single state, single state reporting forms are used. Except on the Pacific coast, they may be used only for two or more locations in the one state, and some states require as high as five locations. Forms are very similar to the I. U. B. forms, but these policies are under the jurisdiction of the state rating bureau, and not under the I. U. B. Minimum deposit and retained premium is \$100 in most states.

In the middle west, the merchandise and fixture form may be used for one or more locations in a single state. This is not strictly a reporting form, because amounts of insurance are changed by endorsement on the 20th of the month, rather than by reports, but for practical purposes it has the same effect as a reporting form. This form gives the assured full credit for specific insurance and gives him full coverage as long as on the 20th of each month the policy is endorsed to make the amount of insurance under the M. & F. form equal to his total values at the end of the preceding month, less

specific insurance. Minimum premium is \$100 per policy.

These forms are intended mainly for mercantile risks, on which the values fluctuate with the different seasons, but they may be used for some types of manufacturing, processing and warehouse risks. The rule book applicable should be consulted for a complete list of eligible and ineligible risks.

Except for a few Pacific Coast states, the merchandise and fixture form is the only one which may be used on a single location. In these Coast states, single state reporting forms may be written on one location. In the east, there is no reporting form for a single location, but in some territories pro rata cancellation is allowed on certain mercantile risks, up to 50 percent of the amount of the policy. This is also allowed in some Pacific territories.

* * *

Question—An owner of an automobile sells his car and purchases a new one on which the same insurance coverages are written within 30 days time. Is he entitled to pro rata cancellation?

Answer—Yes, provided he covers the new car against the same hazards in the same company.

* * *

Question—What are the Wigglesworth tables?

Answer—The Wigglesworth tables are life expectancy schedules that were an old authority, preceding the American experience table. The Wigglesworth tables are still consulted occasionally and the courts in some jurisdictions take judicial knowledge of them. They are used sometimes in figuring the possible value of life pension awards in connection with workmen's compensation cases and they are cited in damage suit cases occasionally. They are not used by the life companies today.



Special Service
Insurance Plate Glass
Replacements
DETROIT AREA
•
Peterson Glass Co.
2833 John R Street
DETROIT, MICH.

**GET new business • RENEW
old business • DISARM competition**
How? Ask about
The Fire, Casualty & Surety Bulletins
420 East Fourth Street • Cincinnati, Ohio

Send 9 cents in stamps for
sample copy of

The Accident & Health Review

The only exclusive accident and health
paper published.

It gives ideas and suggestions that
help you sell income protection
insurance.

Address your inquiry to A-1946,
Insurance Exchange, Chicago

WANTED CLAIM MANAGER

For CLEVELAND Branch Office

Must be thoroughly experienced and qualified to handle all forms of automobile claims
Well acquainted with Cleveland territory
And capable of managing branch office
Lawyer preferred.

An exceptional opportunity with one of America's outstanding non-conference stock automobile insurance companies . . .
Rated A Plus. Address F-89, The National Underwriter.

CHANGES

T. W. Budlong to Home Office of Commercial, Metropolitan

T. W. Budlong, for several years with the Pacific Coast branch of the Commercial and Metropolitan Casualty, San Francisco, in the accident and health department, will shortly return to the headquarters of the associated companies in Newark as aid to Vice-President J. Scofield Rowe in handling publicity and advertising work for those companies.

Mr. Budlong comes of an insurance family. His father, E. C. Budlong, was for many years vice-president of the Federal Life of Chicago, and before that was secretary and manager of the Bankers Accident of Des Moines. His brother, R. C. Budlong, was formerly associate editor of THE NATIONAL UNDERWRITER, later advertising manager of the Northwestern National Life and now in the advertising business in St. Paul. T. W. Budlong edited the house organ of the accident and health department of the Commercial Casualty before his removal from Newark to the west coast. Vice-President Rowe is one of the old guard of casualty underwriters, who always has been in close contact with developments in the business and a pioneer in many of the advanced moves.

American States, Indiana, Names Pacific Coast Head

The American States, which is establishing a San Francisco office soon, has appointed M. E. Jacobus Pacific Coast manager. He has been Pacific department superintendent of the London & Lancashire Indemnity for five years.

Mr. Jacobus will have charge of operations in Oregon and Washington, which will be on an agency basis, the agents to report to Mr. Jacobus' office. A branch office will be opened in Los Angeles. The American States recently entered California, Washington and Oregon.

Beery to Denver Post

S. M. Beery, formerly with the Fidelity & Casualty in St. Louis, has been transferred to Denver as resident agent. He succeeds E. C. Kowtmeier, who has been acting resident agent in Denver but has now returned to St. Louis.

New Truck Writing Office

Ohio Underwriters, Inc., has been incorporated and will open offices at 12 North 3rd street, Columbus, O. It will write liability and casualty insurance for commercial carriers and trucks. It is expected to have more than 200 agents.

Molitor Makes Change

J. C. Molitor, assistant casualty underwriter Engelhard-Krogman & Co. agency, Chicago, is going with the Maryland Casualty branch there as assistant underwriter in all casualty lines. He started as office boy with the Standard Accident in Chicago eight years ago, advancing to underwriting, and for more than two years has been with Engelhard-Krogman.

Named Agency Supervisor

N. L. Hockenberry has been appointed agency supervisor of the Stone, Stafford & Stone general agency of the Employers' group in Indianapolis, succeeding the late W. E. Parrish. He has been field assistant of the Travelers at South Bend, Ind., for seven years and before that was in the local agency business at Anderson, Ind.

Jamestown Mutual Adds to Staff

Clark H. Hungerford, previously casualty superintendent in Newark for

American Surety, has joined Jamestown Mutual as assistant manager of the underwriting department.

J. E. Hough has become assistant claim manager for Jamestown Mutual. He was previously assistant claim manager of American Surety.

Exhibits at N. E. A. Convention

An exhibit of safety educational equipment and material arranged by the Aetna Casualty was featured at the annual convention of the National Education Association in Detroit, June 26 to July 1.

COMPENSATION

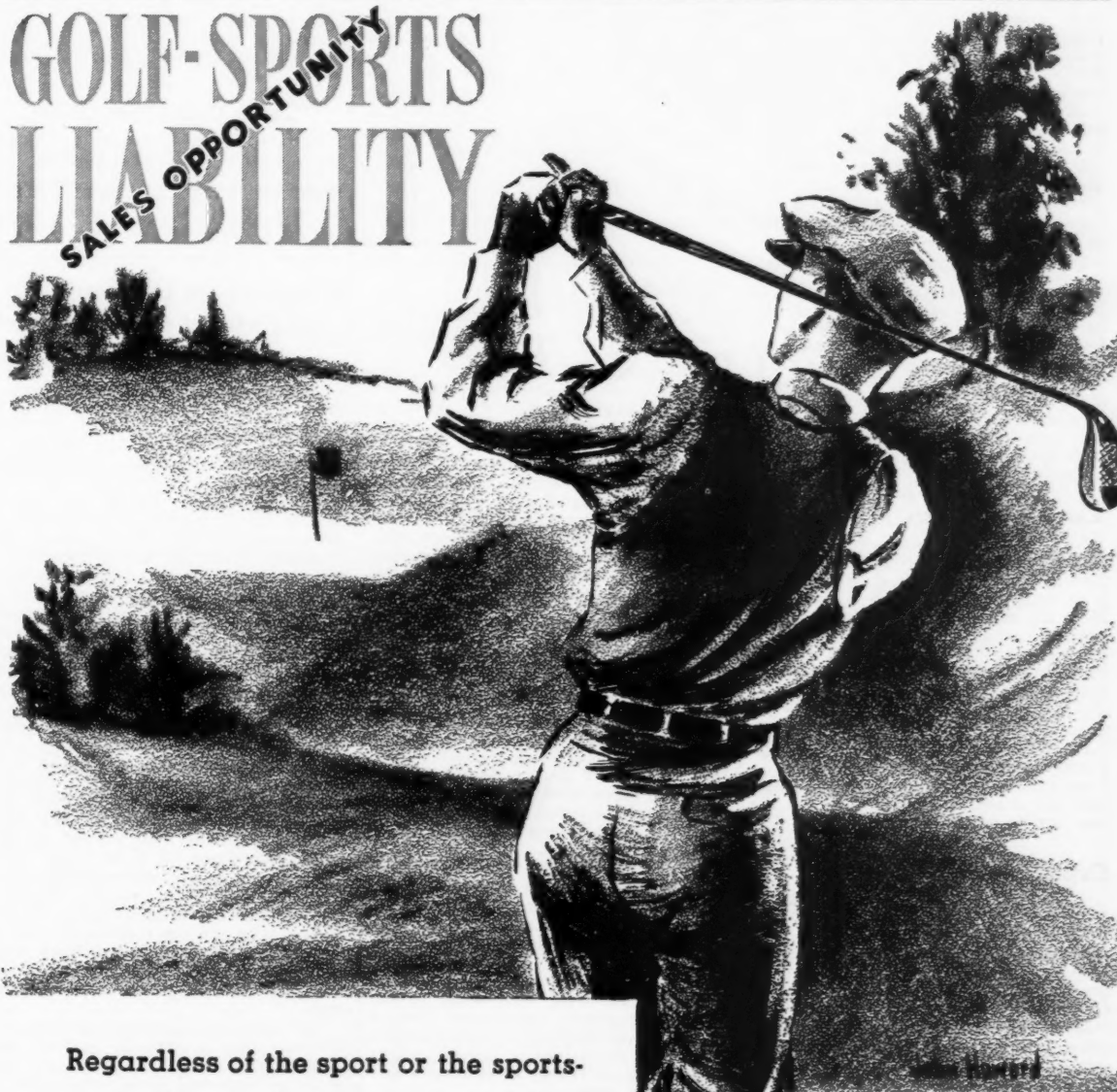
Massachusetts Takes Action Against Stop-Loss Coverage

BOSTON, June 30.—Charging that numerous Massachusetts factory owners and industrial corporations have been avoiding their obligations under the workmen's compensation act by substituting stop-loss insurance coverage with foreign service companies, whereby set-

tlement awards have been largely reduced, Attorney-General Dever has issued a statement declaring he will take action legally against the companies providing this service. Stop-loss coverage was made illegal in Massachusetts by legislative act last year. Companies providing the service are not admitted to the state and the attorney-general hopes to get action to prevent their doing business.

It is also maintained by the attorney-general that certain employers have been using a plan of taking out insurance on the individual worker, the policy being assigned to the employer and the pre-

GOLF-SPORTS LIABILITY SALES OPPORTUNITY



Regardless of the sport or the sportsman, the need for sports liability and property damage protection is constant.

Have you rendered the clientele of your agency conscious to these coverages and their importance?

CENTRAL SURETY AND INSURANCE CORPORATION

KANSAS CITY, MO.

DENNIS HUDSON, President

CAPITAL
\$1,000,000.00

SURPLUS
\$1,154,100.34

LIABILITIES
EXCEPT CAPITAL
\$3,401,812.73

ADMITTED ASSETS
\$5,555,913.07

As at March 31, 1937

mium paid by him. In such cases, the employee, when injured, is given indemnity but on the receipt is a notation that in receiving money he would lose his common law right to sue the employer.

The attorney-general states he believes he can stop the practices by invoking the law that limits operation of foreign companies in this state and forbids representatives of insurance concerns from acting as attorney when they are in the employ of another.

Independence Claims Closed

SAN FRANCISCO, June 30.—Every claim against the Independence Indemnity, which went into receivership in 1933 and which resulted in extensive litigation, has been fully adjudicated, according to report of the industrial accident commission. The commission's awards against the Columbia Casualty as surety for the Independence Indemnity were sustained, the surety company has paid the claims to the insurance commissioner as trustee and he, in turn, has forwarded checks to the beneficiaries.

N. Y. High-Low Endorsement

The Compensation Insurance Rating Board of New York has supplied companies a model form of endorsement to be used on compensation policies that are retrospectively rated. Minor deviations from the form will be permitted if there is no substantial conflict with the provisions of the model endorsement. All such endorsements must be filed with the board and are subject to its approval.

Existing Contracts Not Affected

ST. PAUL, June 30.—According to present plans nothing will be done at present to correct the wording of the new compulsory compensation insurance act, which the Minnesota attorney general has held does not affect existing contracts. It is understood that the author of the law recognized this weakness in the act but was advised that the law could not legally be made retroactive.

It was his view that this situation would eventually work itself out as these existing contracts expire and new ones are drawn after July 1, when the new act becomes effective.

Explain Present Status of Oklahoma Auto Bureau

IN THE NATIONAL UNDERWRITER of May 27 it was stated the Oklahoma Insurance Board had rescinded its order establishing an automobile liability and property damage stamping bureau. The office, however, is still functioning with some companies checking through it, the discrepancy being due to difference of opinion between Commissioner Read, board president, and S. W. Philpott, secretary.

Mr. Philpott declared the ruling does not become effective until the minutes are signed and companies must continue to use the bureau. Mr. Read has not signed the minutes, saying they do not correctly reflect the board's action at that meeting, and that they are not necessary to make the ruling effective, since they are merely a record of procedure.

Hence, Mr. Read believes the rescission stands. The matter will probably come to a head shortly. Mr. Read and Mr. Philpott have disagreed over a number of questions during the past year.

Confer on Long Haul Trucks

SAN FRANCISCO, June 30.—The long haul truck committee of the California Association of Insurance Agents, headed by former President E. R. Pickett of Sacramento, is meeting here tomorrow with the advisory committee of the National Bureau of Casualty and Surety Underwriters. A. E. Spottke of New York City, manager automobile department, will attend.

ACCIDENT AND HEALTH

Life and Accident-Health Combination Policy Offered

The Great Northern Life has issued a new series of "complete protection" policies, offering a combination of life and accident and health insurance. The life portion will be endowment at 85, 20-payment endowment at 85 or life expectancy term. The regular rates in the life rate book will apply for the life portion. The combination is not written for classifications in the accident manual lower than A. While it is referred to as a combination form, individual life and accident and health policies are issued and placed in one envelope.

For a 20-payment endowment at age 85, taken at age 35, the annual premium for the combination is \$123.78, providing \$2,500 for death from sickness, \$5,000 for accidental death, \$7,500 for public carrier accident and \$100 a month for accident or confining sickness total disability.

For accident total disability half indemnity is paid for the first 15 days and regular monthly indemnity thereafter for life, with four-fifths partial for a limited period. Half indemnity is also paid for confining sickness for the first 15 days with full indemnity thereafter for life and four-fifths non-confining for six months, and 50 percent additional for hospital, either accident or sickness. All premiums are waived in case of permanent total disability. Cash, loan and paid up values are provided, with 31 days of grace for payment of premium.

Combinations of \$75 a month indemnity, \$2,000 natural death and \$4,000 accidental death; \$50, \$1,500 and \$3,000 or \$25, \$1,000 and \$2,000 are also issued.

Brovan to Pacific Coast; Is Succeeded by Holdren

D. M. Brovan, for 10 years agency director of the Mutual Benefit Health & Accident and United Benefit Life at the home office, is taking over the management of the northern California territory for those companies, with headquarters at Oakland. He received his early training with the Continental Casualty in Chicago and was with the Orwall agency, predecessor of the present Redfield Associates agency of the Mutual Benefit in that city, before going to the home office.

He is succeeded as agency director by Floyd M. Holdren, who went to the home office agency department about a year ago from the Earl B. Brink agency of the two companies in Detroit, where he had been in charge of education and promotional work.

R. K. Pelton, who has represented the two companies at Newport, Ky., has been made division manager with headquarters at 412 State Planters building, Richmond, Va. His territory will include 60 counties.

Lebby Agency's Anniversary

The William E. Lebby agency of the Massachusetts Indemnity in Los Angeles celebrated its fourth anniversary June 21. Members of the agency presented Mr. Lebby with a bunch of applications representing a large volume of new insurance. The previous week was the largest in the history of the agency.

Has New Automobile Policy

The Fidelity Health & Accident has issued a new automobile accident policy, Form Y, with annual premium of \$10 for the first year and \$7.50 renewal, paying \$100 monthly for six months for injuries sustained while driving, operating, riding in or cranking a passenger automobile or in consequence of explosion or burning of such automobile, and when struck or run down, with one-half monthly partial for two months, one-

half additional for one month for hospital, and \$1,000 principal sum, with 10 percent accumulations up to 50 percent. Surgeon's fee of \$10 for non-disabling injuries is provided. Blood poisoning due to injuries is covered.

Opens Branch in Cleveland

The Massachusetts Indemnity has opened a branch in Cleveland in the Union Trust building. C. J. Ford has been appointed manager. He had been a regional supervisor with headquarters at Akron, O., and will continue to supervise that office.

Jones Opens New Office

Morgan Jones, formerly of Chicago, has opened an accident and health office

for the Federal Life & Casualty, known as the Century Policy Department, in the Elgin Tower building, Elgin, Ill. He entered insurance work in 1920 as an agent of the New York Life in Florida. He served as Chicago general agent of the Pan-American Life and as life manager of Bowes & Co. of that city. He also had accident and health experience in that city with the Continental Casualty and Federal Life.

Cleveland Branch's Increase

The Travelers Cleveland branch reports 117 percent increase in its life and accident business for the first five months as compared to the same 1936 period. R. J. Waugh is manager.

The General Insurance Agency, 206 Hightower building, Oklahoma City, is now representing the Inter-State Business Men's Accident of Des Moines. T. R. Medley is manager.

NEWS OF CASUALTY COMPANIES

Tells Plan for Division of Defunct Carrier's Funds

Commissioner Withers of New Jersey, liquidator of the New Jersey Fidelity & Plate Glass, has received an opinion by Vice-chancellor Buchanan of the New York court of chancery on division of funds of that company. Policyholders have prior rights to the trust fund and secondary claims to this do not need to be considered because the trust fund is not adequate to pay all the claims, the chancellor said. He also recommended that this fund be handled separately from the general assets.

"Policyholders" include the following: Named assured, those claiming return premiums, assignees of claims of policyholders, claims of injured third persons (since they are subrogated to rights of policyholders) and claims filed by agents who have paid them as such and claims of fidelity and surety bondholders.

The chancellor held that the substance and not the form decides whether a claim is a policyholder claim or not. The company bonds guaranteeing payment of principal and interest of real estate obligations of third party obligors are all policyholder claims. The claimants share pro rata in the fund, none having a preferred right. Policyholders who do not receive all that is due them will become creditors with respect to the general assets. No preference is given to policyholders of any state.

The chancellor's recommendations are binding, since contracts between the commissioner and him were approved by New York and New Jersey courts, as well as those of Minnesota and Pennsylvania.

Attorneys, adjusters, doctors, companies for which the New Jersey Fidelity & Plate Glass was a reinsurance carrier, companies which reinsured the New Jersey Fidelity's liability and claims by sureties on bonds issued by the company and principal are not policyholders, the chancellor ruled.

Licensed in Three States

Builders & Manufacturers Casualty of Chicago, which has reinsured the assets and liabilities of Builders & Manufacturers Mutual Casualty, has now been licensed in Iowa, Indiana and Illinois. Application for license is pending in Pennsylvania, Ohio, Michigan, Iowa, Nebraska and Colorado. The management intends to confine operations to those eight states. The Philadelphia branch office is being continued but the branches in Minneapolis and Milwaukee are being closed.

Marks Golden Anniversary

The Dominion of Canada General of Toronto last week celebrated its golden

anniversary. In addition to doing business in Canada, the company operates in England and the British West Indies.

It was originally named the Manufacturers Accident, the first president being Sir John A. MacDonald, who became Dominion prime minister. The name was changed to Manufacturers Guarantee & Accident in 1893 and in 1896, the Dominion of Canada Guarantee & Accident. The present name was adopted in 1929.

Buckeye Union Amends Charter

The Buckeye Union Casualty has amended its charter to comply with the insurance laws of Michigan, which the company has recently entered.

Jamestown Mutual has recently occupied a new three-story addition to its building at Jamestown, N. Y. The company operates exclusively through agents in New York, Pennsylvania and Maryland.

ASSOCIATIONS

Pennsylvania Claim Men Plan Annual Meeting July 9

The Pennsylvania Claim Men's Association will meet at the Bedford Springs Hotel, Bedford, Pa., July 9-10. Round table discussions will be the chief feature and Commissioner Hunt, J. C. Heyer, vice-president Loyalty group, and S. G. McNees, president Pennsylvania State Bar Association, will speak.

The first afternoon will be devoted to golf and a dinner will be held the first evening, after which there will be group discussions. The second day will be given to discussion and business sessions. Chairman DeH. Stoner, Harrisburg, Loyalty group, is expected to be reelected. About 150 will attend.

New Jersey Group's Outing

The Casualty Underwriters Association of New Jersey held its annual outing at the Yountakah Country Club, Nutley, N. J. J. L. Martin, John Conklin, W. W. Moorhead and J. C. Eastmead won prizes in the golf tournament, which attracted 50.

Other golf prizes went to A. L. Pierson, Jr., A. V. Cranston, Fred Weindorf, John Nolan, John O'Hea, J. P. Martin, David Myers, John Neustadter and R. F. Reider. More than 150 attended the dinner.

Nelson Takes Life Department

C. S. Nelson of Cheyenne has been made state manager for Wyoming of the life department of the Colorado Life. He formerly was state manager of the health and accident department.

SURETY

Seek Probate Bond Changes

Ohio Agents Organization and Judges Association Agree on a Program of Legislation

Changes in the methods of handling fiduciary bonds in Ohio for which the Ohio Association of Insurance Agents has been working were explained at the meeting of that organization at Cedar Point by L. Calvin Jones of Youngstown, chairman surety committee. Mr. Jones has been conferring with the Ohio Probate Judges Association and has procured their approval of certain proposals.

Last year, he recalled, the committee was successful in getting the Townner Bureau to promulgate a rule for collection of three years premium in advance on small probate bonds. On the annual basis, the initial premium was too small to compensate the agents for the work involved and collections are a problem in subsequent years. The rate could not be increased because it is statutory. Accordingly the three year plan was decided upon.

Practice Is Challenged

The question has been raised whether the three year plan does not go beyond the statute. Two months ago the Probate Judges Association had this matter taken up with the insurance department. The attorney-general has held that the small probate bond has been a nuisance for the insurance agent and he finds nothing in the three year rule that violates the statute.

Some of the probate judges still objected, however. They favor changing the probate statute to provide for an initial premium of \$10 on small fiduciary bonds and \$5 for renewals.

The probate judges group agreed to support the agents' recommendation that the rate for fiduciary bonds be increased where the assets are impounded. Under such circumstances a bond in much lower penalty is required. The judges will favor an increase in rates from ½ percent to 1 percent on such bonds.

Would Expedite Salvage

The judges will also support legislation bringing the surety into the picture immediately upon the default of a fiduciary. If that is done, the possibility of salvage is much greater.

The surety committee, he said, proposed that joint control be legalized. It is not now mentioned in the statutes although in 15 states it is legalized. The probate judges, however, oppose the proposal. The judges say that many agents handle fiduciary business as a side line. They are not familiar with the obligations of fiduciaries and when they undertake to exercise joint control, there are delays and needless expense in handling estates.

If the legislation which the probate judges have agreed to support is not passed at this session, it will be proposed at the next session under the active sponsorship of the Probate Judges Association.

After Mr. Jones had completed his explanation, President Harvey S. Martin of Toledo announced that the association would support that legislation actively.

Maritime Commission Bonds

NEW YORK, June 30.—Steamship companies seeking financial aid in the operating of designated vessels are required to file with the United States maritime commission bonds guaranteeing full compliance with the terms and refund to the government of money, if any, advanced by the latter in pursuance of the terms of the act. The agreement is for a six months term, taking effect with the first outward bound sailing

after June 30, and continuing to the conclusion of the last voyage begun on or before Dec. 31, 1937.

Rates for the bonds as promulgated by the Townner Bureau, are \$15 per \$1,000 of penalty for the obligation to refund excess payments; and \$10 for the bond pledging compliance with the agreement, but without the refund payment feature.

Contract Commission Issue

NEW YORK, June 30.—Although extended consideration was given the request of surety agents for an increase in the present commission rate upon contract bonds at a largely attended meeting of the surety acquisition cost conference here, no conclusion was reached other than to refer the matter back to the sub-committee. Agents ask for flat 20 percent, in place of the prevailing 12½ percent.

Ohio Liquor License Changes

COLUMBUS, June 30.—The new Ohio law covering licensing of saloon keepers is being studied by surety people. The permittee's bond form is now made continuous, an annual premium to be charged. Two classes of permittees, that heretofore have not been required to be bonded, must now procure a bond in the amount of \$1,000. Those are classes C 2 (sale of beer of more than 3.2 percent alcohol and wines) and 2 A (same as C 2 except packages can be sold for home consumption).

Ohio Agents Map Rural Campaign

(CONTINUED FROM PAGE 3)

his audience, raced through his manuscript. He brought the meeting decidedly to life with some pungent expressions regarding the relative value of agency and brokerage service.

Two former Ohioans were on the program and they were given a warm welcome. They were L. E. Kietzman, formerly Ohio state agent, now assistant secretary American, who discussed the new extra expense insurance, and H. L. Grider, formerly Cleveland manager and now associate general manager of Western Factory, who gave a hard hitting competitive talk.

E. J. Schofield, formerly a casualty company executive now an advertising consultant of Detroit, who is a most facile speaker, gave a thought provoking address at the luncheon session. Another outside speaker was P. B. Bethel, secretary of the Louisville Board and of the Kentucky Association of Insurance Agents, who gave his conception of the functions of agency organization. L. U. Jeffries, warden of the Ohio department, in his talk, reviewed insurance legislation that has been adopted this year and spoke at some length on the question of unauthorized insurance.

President Harvey S. Martin, Toledo, was presented by Secretary Lloyd at the opening session.

Legislative Steering Committee

Mr. Martin recalled that during this session an insurance legislative steering committee was set up in Columbus as an instrumentality of the National Board, mutual interests, domestic casualty companies, Insurance Federation, insurance department, etc. No legislation was introduced without the agreement of that committee being obtained.

The Michigan agents, he said, sent a delegation to study the Ohio setup and put a similar plan in effect in their state. So far the work of the steering committee has been successful in Ohio, he declared.

Mr. Martin stated the trustees are now prepared to take aggressive action in an attempt to curb the insurance activities of automobile financing concerns. Definite information of violations on the part of finance companies has been developed, he said. That in-



**Indemnity
Insurance Co.
OF
North America
PHILADELPHIA**

**CASUALTY
FIDELITY
SURETY**

CAPITAL \$1,000,000.

**Unquestioned Financial Stability.
Unique, Convenient Policies.
Complete, Efficient Service.
All Modern Coverages.**

**Combination Automobile Policy,
Combination Residence Policy and
Complete Golfer's Policy issued jointly
with allied fire companies.**

formation is being filed with the department.

The association was successful in causing a marine brokerage firm that opened offices in Ohio and "violated the agency laws" to discontinue operations.

Mr. Martin referred to the efforts that were made at the last annual convention to put into effect in Ohio the so-called New Jersey plan for handling insurance on property controlled by closed banks. Representatives of the state administration, he recalled, appeared at the annual meeting and gave approval to that plan. For the last four months the program has been on the governor's desk. The association has been unable to get final action upon it. Mr. Martin said the association had hoped that the word of the administration in respect to this plan was more than a pre-election promise. The officers intend to follow the proposition through, he said.

When the Ohio association was reorganized four years ago, the leaders had nothing to offer agents except the promise that they intended to make it the best association in the country. Mr. Martin expressed the belief that the Ohio organization is now definitely headed in that direction.

L. Calvin Jones of Youngstown, reporting as chairman of the surety committee, told of the work that has been done towards changing the Ohio laws to make the writing of small probate bonds less unprofitable for the agents. He was followed by Mr. Kietzman.

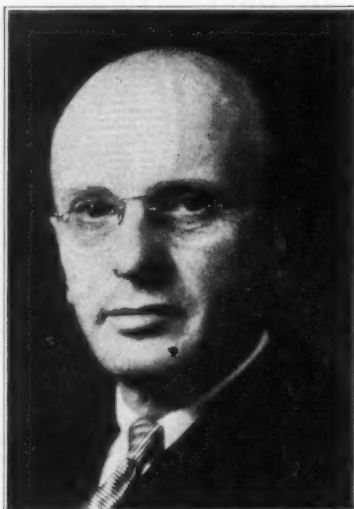
DEPARTMENT FINANCES

Mr. Lloyd explained the issue regarding the appropriation for the insurance department. At the time he spoke the conference committee between the house and senate on the appropriation bill was in session. The house had passed one bill and the senate another. The senate bill reduces sharply the appropriation for the department. He explained that at the beginning of the session the legislature passes a partial appropriations bill for the period Jan. 1 to June 30. That is passed without much study. Then the finance committees get down to facts. The partial appropriations bill contained \$127,000 for the personnel service of the insurance department. The department began to pay salaries on the theory that this money would be available on the same scale throughout the year. The senate bill cuts the appropriation to \$100,000. The department started out to pay salaries on the basis of having \$127,000 for the year and it has already spent \$65,000 for the half year. With only \$35,000 to spend for the remainder of the year, should the senate bill pass, Mr. Lloyd pointed out that a number of employees would have to take a 50 percent salary cut or the examining force would have to be eliminated. Mr. Lloyd said the trustees had appointed a committee consisting of Walter Flickinger of Cleveland and E. F. Benson of Akron to draft a telegram opposing passage of the senate bill. That telegram was read and approved by the members.

P. W. Tribolet Is Heard

P. W. Tribolet of Bellevue, who heads the farm committee of the association, said the big city agents do not talk the language of the rural producer. He said he had made a survey of Huron county in which Norwalk is located. There is no local board in that county. There are 61 local agents excluding life and farm bureau men. Only seven belong to the state association. That indicates the field that exists if the state association makes a bid for the rural agent, he said. The only way to induce these rural agents to join is to get the cooperation of farm writing companies, obtaining from them a list of full time farm agents; then those agents must be interviewed and a program of seven or eight regional meetings with a farm theme must be held. The last step is to invite those agents to join the association. In the next several years he predicted 400

Function at Ohio Agents Rally



H. S. MARTIN



JOHN A. LLOYD

H. S. Martin of Toledo, president of the Ohio Association of Insurance Agents, presided at the successful midsummer conference of that organization at Cedar Point. Secretary John A. Lloyd was much in evidence and kept the machinery moving. He is decidedly solid with the organization and has an exceptional touch.

or 500 such agents could be induced to join.

The big problem for the farm agent today, he said, is the consumer cooperative or farm bureau insurance. These concerns give agents commissions only on the first premium. The renewals belong to the company. They write many lines. They are making a big bid for centralized school insurance.

If cooperative insurance is logical for the farmer, it is logical for the city, he said. If the big city agents help the rural man in connection with that situation, the small town will help the others in connection with direct writing competition, legislative matters, etc.

The membership voted to authorize the officers to accept the program outlined by Mr. Tribolet. Subsequently those interested in the farm situation had a separate meeting and laid definite plans.

R. S. Tidrick, state agent Springfield F. & M., reported as chairman of the committee on the insurance exhibit for the Cleveland Great Lakes exposition. He observed that all insurance interests have combined to set up an insurance educational booth. There is no advertising in connection with this. Local agents should ask their friends and customers to visit this booth when they attend the fair, he said.

Address of Schofield

The theme of Mr. Schofield's luncheon address was that the agent will continue to function only so long as he is a necessity. He cannot last on the basis of past achievements. He urged the agents to cooperate in the National Board's public relations project that is now being organized. Every phase of the business must cooperate in this undertaking, he said.

At the afternoon session Herbert Boynton of Toledo presented the recommendation of the agents of his city for a change in the cancellation rule. Under the present flat cancellation rule, he observed, some policies can only be in effect 16 days. The Toledo agents at first desired a straight 45 day rule, whereunder the policy could be canceled flat rate if it were returned within 45 days of the date on which it became effective. C. C. Atwell, manager Ohio Audit Bureau, however, convinced the agents that this would not be feasible when he pointed out that if that were done every day would be a cancellation day for the audit bureau.

Accordingly the Toledo agents

changed their recommendation to provide that flat cancellation be permitted up to the last business day of the month following the month in which the policy became effective. Those agents don't want to be in the position of seeking to make a collection of a customer before 30 days after the policy becomes effective.

The association gave the committee authority to take the matter up with local boards. If the sentiment in the various cities is favorable, then Mr. Atwell has agreed that he will consult the companies. If such a change is made in Ohio, the agents appreciate that it will be demanded in other states.

Mr. Jeffries, in his talk, said that the department recently raised the requirements for passing agents' examination. In the past applicants were required to answer only 20 of the 25 questions. Now all of the questions must be answered. Since the requirements were made more exact, about 20 percent of those taking the examinations have failed.

Reviews New Legislation

He referred to certain new legislation, including the law governing reinsuring, liquidating and rehabilitating companies. This gave the department authority to operate the Federal Union Life.

A new law provides that organizers of live stock insurance organizations must provide a bond before they can collect money. One man recently, he said, collected \$4,000 in premiums and the company was never licensed. When the department got into the picture it found that there was only \$18 in assets. That man is now being prosecuted, he said.

The old horse thief law was amended. That statute exempted from insurance department regulations organizations engaged in apprehending horse thieves. Lately a number of concerns selling burglary policies to filling station proprietors, small groceries, etc., have been operating under the cloak of that law. Now such concerns are subject to departmental control.

Unauthorized Insurance Problem

A new amendment requires mutual fire and casualty companies to have \$50,000 in assets. Previously mutual fire companies were required to have only \$10,000 in assets and the regulations concerning casualty were vague.

He gave a lengthy talk on the unauthorized insurance problem, reading from "Consumers Digest," published by Consumers Research of Washington, N.

J., sample cases of people who had been burnt by patronizing unauthorized accident and health and life companies. The department, he said, gets about 25 inquiries a week concerning unauthorized concerns. He remarked that from the apparent readiness of people to buy such insurance, there must be a tremendous field for the sale of accident and health insurance.

A number of questions were asked of Mr. Jeffries. There was an inquiry about auto service associations which contend they are selling service and are not subject to the insurance laws. They undertake to provide the labor if the parts are bought from them. A good many solicitors, he said, were representing this contract as constituting public liability and property damage insurance. The department got an opinion of the attorney-general that these concerns are in the insurance business and the department ordered them to cease operations. One such concern in Cleveland proceeded to organize a mutual casualty company and it is now operating.

Associated Adjusters

There was an inquiry about the notorious Associated Adjusters of Milwaukee. Mr. Jeffries asserted that there is no way that the Ohio authorities can reach this outfit. During the past year the department has advised at least 50 people not to send the \$5 to join Associated Adjusters. One of the operators of Associated Adjusters, he said, has been cited on a fraud order by the post-office department. If an agent or field man hesitates to answer inquiries about Associated Adjusters, he should refer the inquirer to the Milwaukee Better Business Bureau or the Wisconsin insurance department, he said.

The next speaker was Mr. Grider. He was followed by P. B. Bethel, who said a local board should not make a rule that will not or cannot be observed. An effort at all times should be made to avoid jealousy. Most complaints, he declared, are founded on misinformation. The board should undertake to bring about cooperation and instill confidence in the membership. He said the credits and collections machinery of the Louisville Board functions very effectively. Cancellations for non-payment of premium are reported to the board and this information is bulletined to all members.

Company Representation

Local boards should engage in educational efforts to promote the sale of "unsold lines." The Louisville Board has about two meetings a month at which current topics are discussed. Solicitors should be limited. In the matter of company representation, he said, the agent should remember that the field men are their best friends. The field men are called upon and respond very well in membership drives.

Mr. McLaren, president of the Springfield Board, told about the joint advertising effort of the Springfield organization. The board is undertaking by advertisements twice a week in the newspapers to "sell the public on the service of the agent." In the advertising, the matter of automobile insurance is being emphasized and the public is urged to consult the local agent before buying a new car.

Boy Scouts Entertained

The U. S. Chamber of Commerce entertained the Boy Scouts attending the national jamboree in Washington, D. C. About 30,000 scouts from 48 states and 24 foreign countries went to Washington.

The program began with an address of welcome followed by a visual demonstration and lecture entitled "Fire Hazards in Action" by W. H. Rodda, a fire prevention expert representing a group of fire insurance companies. The third item on the program will be the sound film "Once Upon a Time," which is an animated street safety cartoon that is full of action. This film is being furnished by the Metropolitan Life.

Already the "primer" for 150,000 agents "Right to the Point" saves time, trouble, mistakes for the man just starting. 76 cents. The National Underwriter.

Weigh Scope of the Law Business

(CONTINUED FROM PAGE 19)

five members of his advisory committee. The action was begun in Columbia because that is Mr. Clark's home.

It is expected that appeals will be taken to the highest possible court no matter what the initial verdict. The question of the conflict between the Missouri statute on the subject and both the state and federal constitutions is one of the important bases of the petition filed on behalf of the companies by Attorney W. S. Hogsett of Kansas City.

The dispute came to a head when Mr. Clark sought to have the Missouri claims managers of several of the companies cited for contempt of court for allegedly engaging in the unauthorized practice of law. The contention is that in performing routine acts in connection with such matters as investigating accidents, filling out the blanks in legal forms, and settling claims for damages the claims managers are encroaching upon the field which the statute sets apart as the exclusive province of licensed attorneys.

Most Effective Method

An action for declaratory judgment was chosen by the companies as the most effective method of settling the controversy.

On June 3 the Missouri supreme court gave permission for the filing of such an action. On June 5 a petition for declaratory judgment was filed with the circuit court of Boone county at Columbia by Attorney Hogsett. It set forth the routine methods which the companies follow in the conduct of their businesses, asserted that these do not constitute the practice of law, attacked the constitutionality of the Missouri statute, and requested that no further efforts be made to cite them for contempt of court for employing these methods.

On June 11 a reply and cross-bill was filed for Mr. Clark and his committee. It charged that the practices of the insurance companies do constitute the practice of law, and requested that they be enjoined from employing them in the future. On June 15 the insurance companies filed an answer requesting that the court adjudicate the controversy.

Reason for Action

At the opening session of the trial Mr. Hogsett pointed out that his clients had brought the action only to have determined by the courts the exact procedures which they must follow to avoid infringing upon the territory reserved by statute as the province of licensed attorneys. He defied the defendants to cite a single case in which it has been shown that in investigating and settling claims, and securing releases, an insurance employee is usurping the prerogatives of lawyers. As for giving routine opinions upon minor questions which arise as routine incidents of the business, he declared that to term this the practice of law is ridiculous.

"If such things as filling out the blanks in legal forms, and adjusting complaints with customers, is the practice of law," he declared, "such researches as we have had time to make among trade organizations reveal that there are no less than 3,800,000 laymen engaged in such practices in America; and we have merely scratched the surface. And there are only 175,000 lawyers in the United States, only 5,900 in Missouri."

Some Take Extreme View

Mr. Clark began his opening statement by declaring that the question of raising the standards of the Missouri bar from within, and of enforcing the statute of Missouri prohibiting the unauthorized practice of law, are closely united. Many Missouri lawyers, he said, consider that the companies should not be permitted to hire attorneys to handle such court actions as should prove

necessary in carrying out their policy obligations.

P. H. Titus, vice-president in charge of claims for Liberty Mutual, an early witness, outlined the routine procedures employed in the handling of claims.

He was followed by G. H. Marston, vice-president in charge of claims for American Mutual Liability. He gave much the same type of technical testimony.

Among the attorneys who are assisting Mr. Clark are some of the most prominent damage suit lawyers in Missouri.

The companies rested their case Tuesday night.

On Tuesday R. G. Rowe, claims manager Lumbermen's Mutual Casualty, was examined directly. Arnold M. Stephenson, Kansas City claims manager American Mutual Liability, and F. S. Mulholland, St. Louis claims manager Lumbermen's Mutual, were examined direct and cross examined.

Introduced as an exhibit was a survey Hogsett had made showing that of 25 trade associations 3,800,000 men would be affected by ruling that filling out legal blanks and investigating and settling claims would be practicing law. Defense counsel objected long and strongly.

The defense was expected to conclude Wednesday.

How One Agency Is Able to Handle Long Haul Business

(CONTINUED FROM PAGE 21)

on haulaway business was during the winter, stocking the dealers for the spring trade. With models introduced in the fall, the heavy hauling is done in good weather. A few inches of snow not only makes the roads skiddy, and conceal the shoulders, but may affect the clearance in underpasses. The top car may be raked off the load because of the reduction in clearance caused by a few inches of snow.

Fire After Accident Is Principal Cause of Loss

The principal losses are from fire caused by upset, overturn or collision. The American safety tank made in Kansas City and approved by the Underwriters Laboratories is so efficient in preventing the spraying or even the escape of gasoline that many companies allow a rate credit on equipment that carries the approved tank. Another device recommended for use is a circuit breaker invented by an insurance man, E. D. Lawson, manager of the marine department of the Fireman's Fund at Chicago. This is a mercury device which prevents electrical sparks from generator or battery in case of an overturn. This has been known to stall the engine on a rough railroad crossing or on a curve, from the action of the mercury in jolting or from centrifugal force, but apparently this weakness has not caused any losses.

The agency has had to draft many of its own forms, some of which have come into use by other companies. It is intended by these forms to give the insured absolute protection, without oversight or uncovered spots. With close track of the loss ratio, rates are quickly adjusted to cover the losses.

Risks Not Showing Profit Are Quickly Dropped

Confidence of the companies represented is an indispensable necessity in handling a line so generally looked on with disfavor. Therefore unprofitable risks are quickly dropped. This happens particularly with "shoppers," that is, truckers who look for low rates or announce that they will pay a certain rate and no more. If the experience indicates a higher rate, and the insured will

not pay, the risk goes off. One trucker had seven different insurance carriers within 12 months, each new one getting off as rapidly as possible. Often such risks come back begging for help in taking care of their insurance needs.

New practices are adopted when experience shows them to be necessary. Nowadays in most cases loss drafts are made payable jointly to the trucker and the shipper. Experience on one risk showed that the insured was collecting on the losses and using the money as capital in its business, without paying the shipper. It was quickly off the books, but has been trying for a year to get back.

The first necessity in handling long haul truck business is to make a profit for the insurance company, according to Mr. Creed, and this involves the closest supervision of the risks.

Lloyds Dividend Paid

Superintendent Pink of New York mailed checks this week for a 3 percent liquidation dividend to 5,737 policyholder creditors of the Lloyds of America, New York City, which is being liquidated by the insurance department. Because of the large number of small claims in this proceeding, approximately 20,000 having been allowed for less than

\$100 and the small percentage being distributed checks are being mailed at this time only to the claimants with an allowance in excess of \$100. Checks on claims under that amount will be paid at the time of the next distribution, or prior thereto upon application to the liquidator.

This dividend, the first to be paid in the Lloyds aggregates \$123,295 on allowed claims and, in addition, provides for a \$123,158 reserve to cover suspended claims which may later be allowed. The total sum being paid or set up as reserves amounts to \$246,454. There will be subsequent distributions from other assets in the hands of the liquidator.

The Lloyds liquidation was one of the largest undertaken by the department. More than 55,000 claims were filed from every state and several foreign countries.

Falvey's Daughter in Hollywood

Jane Falvey of Wilmette, Ill., has signed a contract with Paramount in Hollywood and is now enrolled in the training school of Paramount studios. She is the daughter of John J. Falvey, Chicago, general agent for Continental Casualty. She completed the three year course in the Goodman theater, Chicago and excelled in her work.



"These renewals were certainly easy—every person sold an American Motorists policy last summer is signed up for another year—even old man Jones and you know we've always had trouble with him."

"Well, they've had a year of our service, they're saving money on the cost of their insurance—WHY SHOULDN'T THEY RENEW?"

Sales and Service are only two of the elements in the AMICO sales plan, designed by an agency-minded company to build permanent, not temporary success for its representatives.

Inquire now about the American Motorists franchise in your community. Discover how AMICO may help you with your individual sales problem. Write today for complete details, entirely without obligation.

AMERICAN MOTORISTS INSURANCE COMPANY

JAMES S. KEMPER, PRESIDENT

HOME OFFICE . . . CHICAGO, U. S. A.

**Experienced Counsel,
Co-Operation, Service
in handling**

GROUP DISABILITY LINES

For information address

Group Department



**NATIONAL
CASUALTY
COMPANY**

W. G. Curtis, President

Home Office

Majestic Building, Detroit, Michigan

***Selling assistance
that builds
business***

The Buckeye Union organization is a valuable aid to every agent. Its selling assistance actually builds business for its representatives.

Would you like to know how The Buckeye Union can help you build a larger, more substantial volume? Write to the home office today. There is no obligation.

Territory in Ohio

**THE
Buckeye Union
Casualty Company**
**515 E. Broad St.
Columbus, Ohio**

OBSERVATIONS AT COMMISSIONERS' MEET

(CONTINUED FROM PAGE 19)

favors a separate time and place of meeting for various committees, claiming that the work of the convention should be very deliberate and it cannot be where there is so much rush and interference.

In connection with local entertainment there was much comment in Philadelphia over the \$10 registration fee, being the first time that a charge was made by a local entertainment committee at a commissioners' convention. It was perhaps unfortunate that this should have started at Philadelphia, one of the chief home office centers and this having been the first insurance commissioners' meeting in the city. Be that as it may, there are two sides to this question. The commissioners, members of their staffs and their ladies, naturally, were not required to pay registration fee. The commissioners' meetings have attracted quite an army of camp followers. These people being attorneys, organization and company men are on hand to get acquainted with the commissioners and one another. Many of them come from cities that have not the facilities to entertain the commissioners' convention. Heretofore, entertainment has been blanketed to cover not only the commissioners but the camp followers. There have been a few perquisites granted the commissioners in the way of presents or something of that character but the general entertainment was open to all. Quite naturally, the expense has risen because of the larger number of outsiders who are attending these meetings. It has become a burden where local resources are not so great.

What the Fee Covered

At Philadelphia tickets were issued at registration covering certain specific events. The items were the reception on Monday night, golf club privileges, the banquet and a trip to Atlantic City. The banquet ticket was valued at \$5. The upshot of the matter was considerable feeling on the part of a number of the camp followers and a certain amount of criticism. A number did not register and a few when they had registered and found that there was a charge cancelled their registration. Philadelphia is always a hospitable city. It had a hard working committee and the expense was not spared, but speaking from an impartial standpoint it might be very wise hereafter to charge a registration fee of moderate amount, or adopt the more satisfactory plan of charging for the banquet and allowing those who desire to play golf to pay for that privilege. A great number did not go to Atlantic City, did not play golf and some did not desire to attend the banquet. It might seem appropriate therefore, for local committees to charge for the banquet and those other features in which a comparatively few desire to participate.

FINANCIAL BURDEN

It is too much of a financial burden for local insurance men to bear especially as the outside attendance increases. It is an insurance commissioners' convention. Naturally the insurance commissioners should be entertained without any fee whatever. That is perfectly right and proper. With the increasing number of outsiders the expense of entertainment is heavy and perhaps there should be some uniform standard if possible worked out. A number of entertainment events might well be eliminated or curtailed. It has grown quite common for branch offices of out of town state companies, field men of fire companies and others to be called upon for contributions. This does not set so well. The entire entertainment program should be carefully considered by Chairman Pink's committee and properly regulated. Suffice to say that

the entertainment at Philadelphia was of an extremely high order.

The recommendation made by Palmer of Illinois in his presidential address at Hot Springs that there be an executive secretary in order to centralize the work of the convention, coordinate its various activities and direct them was voted down unanimously. Evidently the commissioners were not in a mood to undertake this departure partly because of the expense involved. The committee appointed to consider the subject recommended that an appropriation of \$4,000 be made, taken from the surplus of the security valuations committee and after that a plan would have to be worked out for contributions by states. It is becoming more and more difficult to get appropriations, especially in states where the commissioners have but a small contingent fee or none at all. Some are obliged beforehand to go to the proper state authority and secure an appropriation. Sometimes the appropriation is not sufficient to pay the commissioner's expenses on the trip. Furthermore, the point was made that there were dangerous features in the proposed movement. Director Palmer had kindly offered the use of the Chicago office of his department for headquarters rent free. Gough of New Jersey found in this an unsatisfactory condition because in one department would be centralized information from the various states, some of which would be of a confidential nature.

GOUGH BIG FACTOR

When Mr. Gough closed his remarks, criticizing the plan, there was no further discussion, the vote was taken and no negative voice heard.

New Jersey's Gough probably has as much if not more influence over the convention than anyone else. He has been attending the conventions for many years. He is an old timer in the work. Commissioners may come and commissioners may go, but "Chris" Gough goes on forever. He carries on from administration to administration. The commissioner of banking and insurance in New Jersey leaves the insurance department to Mr. Gough. He is not a reactionary. He does not believe in following a course because that is the way it has been traveled. At the same time he is not a radical. He is a moderate progressive with his feet on the ground. Other commissioners regard his advice as sane and wise. He of course knows what has been done in the past and its effect. When Mr. Gough arises to speak he is given the utmost attention. At the examinations committee meeting he being the originator of the zone system plan, enthusiastically defended it, saying that on the first company in his state in which it was tried, namely, the Prudential, he was agreeably surprised at the caliber of examiners that were sent.

Blackall and DeCelles

Another commissioner that has a very healthy and wholesome outlook on various questions is Blackall of Connecticut. A lawyer, former newspaper man, former state senator he has brought to his present position an experience that is very valuable. Clean-cut when he speaks, he leaves a splendid impression.

It may be that De Celles of Massachusetts is on the spot, owing to the revelations that have come out with regard to the Commonwealth Mutual Liability in his state. Apparently, he was misled. The insurance companies have been against him in some of his activities. However that may be, Mr. De Celles has a splendid speaking voice. His choice of English is finished. He attracts attention when he speaks. He is a man of culture and reading.

With Rollin M. Clark, chief deputy of the New York department, leaving

to go with the Continental Assurance and the Continental Casualty in Chicago as an official, and J. J. Magrath, head of the fire and casualty rating department, going with Chubb & Son of New York, there is a big hole left in the New York staff. Mr. Magrath's leaving means a particularly pronounced loss to the New York department. He is all things in one, composite, so to speak. He knows the technique of fire, casualty, surety and marine rating. It would be very difficult to find a man who has this comprehensive knowledge. He was at the Philadelphia meeting in his official capacity for the last time. The commissioners of other states regret to see him leave their ranks because he has always been regarded as an authority. At the meetings Superintendent Pink has relied largely on Mr.

Making Business a Pleasure

A booklet to help you
increase your sales
THE PREFERRED WAY

**THE
PREFERRED
ACCIDENT INSURANCE
COMPANY of NEW YORK**
**80 Maiden Lane
New York, N. Y.**

**Sent FREE to Preferred
Type Agents**

Clark and Mr. Magrath and they often acted as his spokesmen and intermediaries. Mr. Clark was at the Philadelphia meeting as an observer, returning to his old former relationship because he always attended the meetings when he was insurance editor of the "United States Daily."

Hunt, the Host Commissioner

Hunt of Pennsylvania, naturally was on the job at all times, being the host commissioner. While he has met with antagonism now and then on part of insurance interests, he has been a constructive force in the state house of Pennsylvania. Pennsylvania, like many other states, is politically ridden. The insurance department has been dominated by politics. Commissioner Hunt has had of course to meet this situation and in spite of political demands he has maintained an independent attitude. He has done something for Pennsylvania. He may have tried to cover too much territory or desired to travel too fast but as an administrator he stands head and shoulders above many of the Pennsylvania commissioners of the past. Senator Joseph F. Guffey of Pennsylvania, who was in my class at Princeton University, remarked to me at our annual reunion this year that he would not attempt to use any influence to try to get Commissioner Hunt to do something that he did not desire to do or thought was not right. Senator Guffey said, "The most that I would try on Owen Hunt would be a letter of introduction and that would end it."

KING TO THE FRONT

King of South Carolina, ruddy-faced and youthful, came to the front this year with his resolution commending Postmaster-General Farley for blocking the mails to mutual benefit cooperative enterprises that he deemed fraudulent. This was the resolution that was assigned to the committee on unauthorized insurance and recommended by it for action by the convention which was done. Commissioner King is a popular man at these meetings. At times he was very facetious, particularly in his comments regarding Holmes of Montana who is the comedian of the convention.

Bowen and His New Suit

McCormack of Tennessee, one of the new commissioners, was the only one of the neophytes who spoke. Being a former Memphis insurance agent, he has a good knowledge at least of insurance. Murphy of Iowa has a national reputation, having been the immediate past president of the American Legion. He was on the air for 15 minutes Monday evening, telling about the work of the convention and he spoke at the banquet. Commissioner Hunt, who presided as toastmaster, evidently got twisted in his mental processes as after referring to Commissioner Murphy's office with the American Legion, said: "He was highly honored this afternoon by being elected vice-president of the National Association of Insurance Commissioners." As a matter of fact Commissioner Murphy was defeated by Carpenter of California. Before the official vote was counted Murphy most graciously moved that the vote for Carpenter be made unanimous. Carpenter is a very strong man. He took a high position in the Pacific Mutual Life case. He was arduous, hard-working and intelligent in his treatment of that company. He is a strong pillar on the Pacific coast. He, being a former insurance man knew the business before he went into office. California has had an unfortunate reputation in its insurance department, but Carpenter has brought about a thorough housecleaning and has forced the state up to a higher rank.

Earle of Oregon is another of the men of the coast to make himself known. He has decided views and is not afraid to express them. He is chairman of his zone examination commit-

tee and assumes much responsibility in this position.

The commissioners are speculating whether Bowen of Ohio will win a new suit of clothes. O'Malley of Missouri, fiery and impetuous, but thoroughly sincere and honest, was defending the point that supervising officials could control companies of their states if they operated by mail in other states without a license. He said that he had two such companies in Kansas City, the National Protective and the Postal Life & Casualty, both stipulated premium companies. These companies operate in other states by mail. Commissioner Bowen went so far to say that he had appealed to Commissioner O'Malley to keep these companies in line in Ohio. Mr. Bowen said that he had no success and he objected to what these companies were doing. O'Malley was on his feet at once and challenged Mr. Bowen's statement, demanding an apology. He said that he would give him a new suit of clothes if he could prove what he had said. Mr. O'Malley claimed that he had the two companies under control, demanded that their literature and policies be submitted to his department and he did not think that their mail operations could be criticized justly or any charge of misrepresentation made.

Palmer's Absence Felt

It was most unfortunate that Palmer of Illinois, the president of the organization, could not have been at hand at this meeting inasmuch as he had been such a constructive force in revamping its affairs. All had looked forward to his versatility and genius in handling a convention. Among other things he advocated "open covenants openly arrived at." In other words, he did not see the necessity of having prolonged executive sessions. He feels that the insurance people who are attending need enlightening and they can get a viewpoint of the commissioners work by being present, especially when departmental questions are being discussed. His influence was seen in the meeting of the examinations committee which for the first time in its history was not executive.

Bowles of Virginia, who was named for the presidency, is a typical Virginian, having great pride in his state and its people, rather oratorical in his style and rapid in his parliamentary procedure.

RETURN TO NEW YORK

Yetka of Minnesota never fails to make himself heard when he has some definite ideas. He may be against the government at times, but he has the courage of his convictions and does not hesitate to speak his mind. He was the most outspoken critic of the zone examinations system, claiming that the states where a company has its chief business should be the ones represented at an examination and not a section where only a small part of its income arose. However, the commissioners feel that geographical representation must prevail. The system requires rotation by states in a zone examination. Sometimes a state will be assigned where the premium income of a company is very small comparatively and yet it is only taking its turn.

Glad to Go to New York

The commissioners are glad to return to New York for their December gathering. That is the logical place for a winter meeting. There is no entertainment and the outside diversions are therefore but few. New York is the logical place for the meeting because at that time a number of insurance organizations hold their gatherings there.

The question arises as to the place of the next annual meeting. Virginia insurance men are urging President Bowles to head a movement to have the gathering held in Richmond. The National Association of Insurance Commissioners has held one meeting in Canada, being at Toronto. Superintendent

La France of Quebec, who succeeded the late Superintendent Dugal who attended United States meetings in later years, extended an invitation for Quebec. O'Malley of Missouri will extend an invitation to hold the meeting in St. Louis.

Carpenter of California, having been elected vice-president, is in line of succession for the presidency in 1939. As that will be the year of the exposition at San Francisco, in all likelihood a strenuous effort will be made to have the annual meeting for that year held in that city.

The commissioners are very much interested in attempting to get uniform-

ity as to basis of taxation. De Celles of Massachusetts presented a very intelligent paper at the St. Paul meeting advocating a standard for taxation basis. Naturally, the rate of taxation may differ but the basis itself should be the same.

Harrison of Arkansas, a new commissioner, is one of the best known men attending commissioners conventions. He served a short term as Arkansas commissioner, in days gone by, previously was deputy and in late years has been an insurance attorney in Little Rock.

For the first time in many years the Maine commissioner was present this



HOME OF "SERVICE THAT EXCELS"

General Accident



FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, Managing Director

JAMES F. MITCHELL, United States Manager

GENERAL BUILDING - 477 & WALNUT STS.
PHILADELPHIA

THE EXCESS INSURANCE COMPANY OF AMERICA

Reinsurance
Casualty and Surety
Excess Covers

Executive Offices:

99 JOHN STREET

NEW YORK CITY, NEW YORK

Telephone Beekman 3-1147

year, he being C. Waldo Lovejoy, who was secretary of the Maine Association of Insurance Agents. Gauss of Michigan, another of the new officials, was a former commissioner and hence needed no introduction to those who were in office when he was head of the Michigan department.

Afraid of Washington, D. C.

Many of the commissioners very obviously are skittish when it comes to any suggestion that some appeal be made to the federal government. Even the resolution originating with Commissioner King of South Carolina commending Postmaster General Farley for prohibiting the use of the mails to fraudulent mutual benefit, cooperative associations raised the question as to whether that might not be an entering wedge. Yet in case of these concerns which infest largely the south, Pacific coast and central west without fear, there is no way for the insurance departments to cope with them. In but few states are there any regulations over these so called non-profit outfits.

DIRECTORY CERTIFIED PUBLIC ACCOUNTANTS

ILLINOIS

S. ALEXANDER BELL & CO.

Certified Public Accountants
Specializing in Insurance Accounting,
Audits and Systems
10 South La Salle Street, Chicago, Illinois
Telephone: Central 3510

WINZER & CO.

CERTIFIED PUBLIC ACCOUNTANTS
Commercial Accounting
and Income Tax Counsel
Insurance Accounting
Fire, Casualty, Life
29 SOUTH LA SALLE STREET
CHICAGO, ILL.
Phone FRA. 6985

KANSAS

SPURRIER & WOOD

811 Beacon Building
Wichita, Kansas
Certified Public Accountants
Insurance Accounting
Fire, Casualty, Surety

MINNESOTA

JAMES S. MATTESON & CO.

Certified Public Accountants
Suite 902, Fidelity Building
Duluth, Minnesota
James S. Matteson, C. P. A. (Minn. & Wis.)

SOUTH CAROLINA

GOODING AUDIT COMPANY

PUBLIC ACCOUNTANTS
Member American Society
Audits-Systems-Tax Service
COLUMBIA, S. C.

WISCONSIN

FREDERICK S. STAPLES & CO.

Certified Public Accountants
First Wisconsin National Bank Bldg.
Milwaukee, Wisconsin

Even those that have any regulations find them loose and ambiguous. A concern establishes a habitat and then uses the mails, flooding the people through this avenue with tons of literature. When claims arise, immediately there is an effort made to dodge them through some provision in the policy. There is no way that the insurance department in the state in which the claimant resides can accomplish anything. Under the decision of the United States Supreme Court insurance can be sold by a company not licensed in a state if it uses the mails but no representative can appear.

Unauthorized Insurance Issue

The question of unauthorized insurance is one of the most important, vital and difficult ones before the commissioners. So far as the cooperative, mutual benefit enterprises are concerned, there seems to be no way to reach them other than through the postoffice department. As soon as a large number of claims are accumulated the promoters then seek another location and get another name for their outfit. Commissioners declare that they have appeals from claimants for help, they correspond with the state commissioner where the cooperative is located and find that no recourse can be secured. Where an outfit is licensed in its home state, the home commissioner can bring pressure to bear. However, the most widely publicized concerns roam at their will with no regulation at home or abroad. Even at that, some of the commissioners need to wear blinders because the bogey man of federal control or regulation of insurance bobs up and gives them the jitters. O'Malley of Missouri was particularly emphatic in his advice not to have traffic with Washington, D. C., in any way.

Pamunkey Indian Ceremonial

The greatest sideshow at the commissioners annual meeting centers about the initiatory ceremonies of the "Pamunkey Tribe of Real Indians." There were 107 neophytes taken over the hot sands in Philadelphia at \$5 a throw. The initiation was made in the most picturesque forest like, camp like setting. The ritual which was devised and written by the late Henry F. Tyrrell of the Northwestern Mutual Life, who until his death was scribe, has many eloquent, humorous and interesting features. However, in order to get this over there is real need for stentorian, resonant, far reaching voice. Otherwise the audience loses interest because the people cannot hear and the noise and confusion drown out any effect of the ceremony. This was made very obvious when Thomas Watters, Washington, D. C., attorney, substituted in the team and his first few words were so soniferous and distinct that the audience burst into applause. The late Lamar Hill, vice-president and general counsel of the America Fore group, was absent due to the death of his wife. Two days later Mr. Hill himself passed beyond the hills. He had an impressive manner and a distinct intonation. E. C. Stone, United States general attorney of the Employers Liability, is dramatic, effective and brings out every cadence and all the nuances that belong to his part in the ritual.

Map N. Y. Casualty Course

NEW YORK, June 30.—The committee in charge of the casualty insurance course to be conducted by the Insurance Institute of America during 1937-38 is composed of C. J. Stephan, manager New York City branch Firemen's group, chairman; A. O. Robinson, vice-president Yorkshire Indemnity; F. S. Brown, comptroller Fireman's Fund Indemnity; Rexford Crew, superintendent production department Hartford Accident; W. K. Fletcher, vice-president T. G. Mehan & Co., and C. H. Pritchard, Jr., vice-president General Reinsurance. The initial lecture will be given Oct. 6 to be followed by one each succeeding week until April 4, at which time examinations will begin.

CASUALTY PERSONALS

Dr. R. B. Hunt, medical adviser of the American Mutual Liability, an authority on silicosis and occupational disease, died after an illness of several weeks. He had also served other companies, including the Liberty Mutual and Employers Liability.

The **Bankers Indemnity** Chicago office is having its annual golf outing at the Tam-O-Shanter Country Club, July 1, the guests to be entertained at lunch, golf and dinner.

Thomas R. Dew of New York City, manager of agencies of the United States Guarantee, is spending the summer at his old home in Virginia. Mr. Dew underwent an operation for stomach ulcers at the Mayo Clinic, Rochester, Minn., and after a few months had a recurrence of the trouble. He returned for another operation and now is recuperating in good shape. He will be able to resume his official duties in the fall.

A. G. Oakley, vice-president in New York of the United States Fidelity & Guaranty, was guest at a luncheon given by associates in honor of his birthday.

W. B. Watkins of Cleveland, leading accident producer of the Travelers, is touring Europe. He will attend the international convention of Kiwanis while on the trip.

James K. Lacey, 21, son of General Agent **J. J. Lacey** of the United States Fidelity & Guaranty in Newfoundland, was refused entry to this country in Boston under the contract labor law. He arrived by steamer from Newfoundland on his way to Baltimore to accept a permanent position with the company which his father represents in Newfoundland, preparatory to which he was to undergo a six weeks training course. Immigration officers ruled Lacey was an alien coming to this country to take a position which might be filled by an American. He will appeal to Washington.

The employees association of **Builders & Manufacturers Casualty** of Chicago had their annual picnic at the Alpine Gun Club, Round Lake, Ill. About 110 attended.

David S. Beyer, 58, industrial safety expert and vice-president and chief engineer of the Liberty Mutual of Boston, died at his home in Newton Center, Mass. He was a former director of the National Safety Council and the Massachusetts Safety Council and the author of several books and periodicals on safety and accident prevention.

H. A. Behrens of Chicago, chairman of the board of the Continental Casualty and president Continental Assurance,

left this week for his home on Belvidere Island in San Francisco Bay where he will remain until after Labor Day. Mr. Behrens is a native son of the Pacific Coast, a great lover of San Francisco and its environs and a true California product.

About 90 employees in the Chicago office of the **Standard Accident** enjoyed a day's outing at the Lincolnshire Country Club.

Des Moines attorneys and members of the Iowa Claim Association at a joint luncheon meeting in Des Moines paid high tribute to **A. B. Funk**, retiring Iowa state industrial commissioner.

John W. Kearney, 39, long prominent in Denver casualty circles, died there from a heart attack. He was born and educated in Hartford, and entered insurance work there with the Aetna Life. Following war service, he went to Colorado with the United States Fidelity & Guaranty. In 1927 he became branch manager of the Employers' group, a position which he held up to his death.

Hospitals Arrange with Lloyds for Liability Cover

Hospitals approved by the American College of Surgeons have arranged a deal with London Lloyds by which they will be given complete liability coverage except workmen's compensation and automobile insurance. The contract was worked out after conferences between Lloyds representative, hospital authorities and the magazine "The Modern Hospital."

The policy covers owners, landlords and tenants, malpractice, elevator, druggists and products and contingent liability. Limits will be \$50,000/\$100,000. Hospital people said they had also conferred with American stock companies, but the latter did not want to handle these risks.

The plan will be further developed as more hospitals join the setup. This blanket policy provides the usual liability contract investigation and defense features and thus covers against hazards to which hospitals are peculiarly subject.

Garages Now Liable

LANSING, MICH., June 30.—The Michigan legislature passed a bill making garages liable for damage to cars left in their custody. It is anticipated that the new measure will open an avenue for considerable insurance coverage. Previously the law allowed such places to print on the claim check and inside the garage itself the limit of responsibility assumed. In most cases this amount was extremely small considering the value of the car.



SEABOARD SURETY CO.

FIDELITY AND SURETY BONDS - CAPITAL \$1,000,000

C. W. FRENCH, PRESIDENT

80 John Street, N. Y. - BEekman 3-7345

POINTERS FOR LOCAL AGENTS

Extra Expense Cover Offers New Field for Agent

Extra expense insurance, for which rules, rates and regulations were recently promulgated, offers a new field and an opportunity for local agents, according to L. E. Kietzman, assistant secretary of the American, who addressed the summer conference of the Ohio Association of Insurance Agents at Cedar Point.

The form originated on the coast about six years ago, he said. It had a slow development. There was little publicity about it. Indeed, he declared, the companies that were selling it were somewhat secretive about it. Now it is a regulated line and is being advertised. Some critics believe that extra expense insurance is a daring experiment, that there is much potential moral hazard involved and that it is "synthetic U. & O. insurance."

U. & O. Contemplates Shut Down

Mr. Kietzman observed that U. & O. insures the prospective net earnings of a business as a result of suspension due to the happening of named perils. It insures net profits, fixed charges and expenses incurred to reduce the loss. As a matter of fact, that last feature did not have to be specified because the insurer would be eager to incur expense in order to reduce the loss. U. & O. insurance contemplates that there shall be a shut down. Whenever there is a shut down, there is always the loss of a few permanent customers. However, some types of business would lose everything in a shut down, notably newspapers. Mr. Kietzman said one Philadelphia newspaper maintains a duplicate plant to function in an emergency. Other types of business are similarly situated such as ice manufacturers and delivery concerns; coal dealers, milk, laundry, dry cleaners, oil and gas, orphanages, schools, banks, creameries.

If a newspaper can use another plant and continue publishing, it suffers no loss of subscription and advertising income. The only loss is the extra expense involved in getting out the paper under abnormal conditions. If the newspaper had U. & O. insurance, it could recover part of the extra expense incurred, but the limit of recovery in that respect would be the amount by which the earnings loss is reduced by continuation of publication. In order to recover the entire expense of publishing elsewhere, the newspaper proprietor would have to carry U. & O. insurance in an excessively large amount, according to Mr. Kietzman.

Distinctive Field for Each

The speaker contended that there is a distinctive field for U. & O. and for extra expense. The latter form should only be sold to those who do not need U. & O.

The first extra expense form was a per diem proposition, he said. Then several coinsurance forms were devised. These were found unsatisfactory because it necessitated carrying more insurance than many assured needed. Most of the forms now in use closely resemble the Pacific Coast form. There is a monthly limit of liability. This provides flexibility to take care of varying needs. The limit of liability for any one month may not be less than 40 percent of the amount of the policy. An important feature is that the monthly limits are cumulative. For in-

stance, if the limit for the first month is 40 percent but the extra expenses amount only to 30 percent of the amount of the policy, then the assured is entitled to incur an additional 10 percent above the amount stipulated for the second month if necessary.

No Coinsurance Clause

There is no coinsurance clause, but the requirement as to limit of liability per month has a similar effect.

Sometimes the extra expense that is incurred is heavier during the first month. But in other situations, the initial expense may be less than the subsequent. The agent must study the individual risk. Extra expense insurance does not cover loss due to diminution of business, so there is no conflict with U. & O.

He did not go into the rate formula that is used except to say that the rate for a four month period of restoration is about twice the rate for a 12 month period.

R. E. Julian of the Ohio Inspection Bureau in Columbus answered questions about extra expense insurance. He said

the bureau will not publish a bulletin on the rate formula but it is prepared to answer inquiries. So far the business has been limited to newspaper proprietors. The bureau intends to prepare a bulletin suggesting other classes for which this cover might have appeal.

Can Write Both Forms

Harold Jones of Middletown inquired whether it is permissible to write both monthly and per diem forms. Both are permissible, Mr. Julian replied. The per diem form must be written on an annual basis. Mr. Jones remarked that there is a big advantage for the newspaper in the monthly form because the heaviest expense is likely to occur in the first 30 days.

Eugene Davis of Cleveland inquired whether there would be any liability under the policy if the assured had been operating in a more or less obsolete plant and then when the fire occurred shifted his operations to a modern plant, assuming the extra expense with the prospect of getting a greater volume of business.

Mr. Kietzman expressed the belief that the policy would not pay such extra expense. Under those circumstances the extra expense will become a normal expense, he observed. There might be a loss for a short period but the insurer would not pay for enlarging the business of the assured. There would be no loss, since the assured would really be better off.

Farm Insurance Profitable---Background Is Needed

Farm coverage can be a profitable business for the agent who cooperates to underwrite it carefully. There are not many involved contracts to be studied and sold, since farm insurance for dwellings, buildings and stock is limited to the fire and one or two inland marine covers. It is most important for the insurance man to have a well grounded knowledge of farming, farmers and their problems.

The financial hazard has always been a major one for farm departments to watch. This must be distinguished from the moral hazard, which is not encountered so frequently among high class farmers. By financial hazard the companies mean cases where a farmer, because of too heavy interest on his mortgage, falling prices for farm products or because of catastrophes such as dust storms or floods, is in such bad straits financially that he is tempted to try to collect on his insurance, not with the view of making a big profit, but simply of avoiding starvation. During the post-war period this has worried underwriters, due to the many evils, economic and otherwise, which beset the farmer.

Watch for Over-Insurance

In the last four years, due to government refinancing of his loans, thus creating lower interest rates, as well as federal subsidies and higher prices for farm products, this picture is much brighter. Still, the insurance man must watch to avoid over-insurance. For instance, when he inspects a risk, he may find a barn or other farm building that is too large or costly for a small acreage. These may have been built when the farm was much larger in area, but are not needed as the land was sold off. Such a barn or other building should be insured on the basis of utility value rather than physical value. While the physical value may be much greater, the

utility value is more in line with the farmer's economic status and needs and thus does not present the temptation to commit arson such as an over-insured building would.

Most of the big companies have separate departments. The Farm Underwriters Association recommends rates and forms and is a clearing house for farm department information.

Kind of Cover Available

Farm dwellings, household goods, barns, cribs, granaries, silos and windmills may be insured against fire, windstorm, hail or lightning. Coverage against explosion may be bought if it is wanted, but there is no provision for other features of the supplemental contract, such as riot, although there is no rule against covering a farm house against the perils of automobile and aircraft damage. In most states windstorm and hail coverage must be written together. Livestock may be insured against the same perils as those involved in insuring the building. However, livestock in transit insured against perils incurred because of the shipment is handled by the marine department. The marine department also issues livestock insurance covering against other mortality.

Show livestock, race horses and other blooded animals raised by men who make farming a hobby are usually referred to the marine department for special consideration and are not handled by the farm department. Tractors, combines, threshers and other power machinery are covered in the farm department against fire, windstorm, hail or lightning. Pleasure automobiles and trucks are covered through the automobile department in the regular way.

Coverage on growing crops against windstorm, hail or rain, is a specialized line. Not all of the companies writing

SALES IDEAS OF THE WEEK

Thoroughly Check Prospects for Automobile Cover

Warner & Co. of Fargo, N. D., do a large automobile business and specialize to an extent on its solicitation. It has been built up over a long period. The office has a number of solicitors who are on the streets continually. During the automobile selling season they contact very closely the automobile sales agencies. The office worked out a plan whereby certain solicitors are made responsible for the getting of sales from certain garages. It is their duty to check the garages once or twice a day during the automobile selling period.

Establish Important Contacts

The solicitors have different methods of operating. They generally establish, however, contacts with someone in the garage who has, in his possession knowledge of the sales and deliveries to be made. They are much more successful if they can secure the information relative to the sale before the car is actually delivered. If these solicitors run across a car which is sold under a finance plan, they will contact the purchaser and, if possible, secure from him a promise to renew the business at expiration. They make a record of the date, description of car, etc., and this is placed in the prospect file. The file comes to the front any way from 30 to 60 days prior to expiration.

Warner & Co. use the comprehensive policy successfully. They use examples of recent claims. For instance, the other day one of their policyholders had a bulldog with him which is in the habit of riding in the car. One evening when the assured put his car in the garage inadvertently he locked the dog in the car. When he returned in the morning he found that all the upholstery, seats, back rest and even part of the head lining had been torn to pieces by the dog in his endeavor to get out. The repair bill was \$103. It is examples like this that make good sales arguments.

farm insurance handle this. The only insurance against crop failure from other causes, of course, will be whatever plan that is worked out by the federal government, with it as the insurer.

No Casualty Field

There is very little in the casualty field for the farmer, except the same automobile liability coverage as exists for the city man. At present casualty carriers are not seeking other farm business as there is no experience data. In most states farm employees are not under workmen's compensation laws so there is no market for this cover. In a few cases large farm owners, such as life insurance companies, have been able to get protection against their liability to the public, but for the individual farmer this has not been available, and there is very little demand for it.

Since most farms are mortgaged, there is demand for insurance against physical damage to farm properties, as this is usually required by the lender. Farm people may be considered good risks, since they are permanent residents, usually honest and thrifty, and are aware of the many perils, man-made and otherwise, which they face in their business. Hence they are anxious to secure coverage against insurable hazards.

A · DIRECTORY · OF RESPONSIBLE INDEPENDENT ADJUSTERS

ARIZONA

LYLE ADJUSTMENT CO., INC.
Branch Home Office Branch
Masonic Bldg. Ellis Bldg. Central Bldg.
FLAGSTAFF PHOENIX TUCSON
Casualty—Surety—Inland Marine—Fire
Health Accident—Life Investigations
Representing over 40 companies.
General Service All Lines.

CALIFORNIA

**W. E. SEVERANCE
J. L. LANG
ADJUSTERS**
FIRE, CASUALTY, AUTOMOBILE, INLAND
MARINE and Allied Lines
Special facilities for handling difficult liability,
health and accident, and compensation cases.
1195 PACIFIC NATIONAL BUILDING
LOS ANGELES MI. 4907-8

J. P. McHALE & CO.
General Adjusters
for Insurance Companies
1031 South Broadway
LOS ANGELES, CALIFORNIA
Representing 45 insurance companies—
All Lines
Since 1915

GAYNOR-DeWITT, Adjusters
433 California Street
San Francisco, California
SPECIALIZING IN
ALL RISKS INLAND MARINE, CASUALTY
INVESTIGATIONS AND ADJUSTMENTS
Corresponding offices at strategic locations.

DIST. OF COLUMBIA

**BURNS ADJUSTMENT
COMPANY**
Harry C. Burns, President
Investigations and Adjustments
For Insurance Companies Only
Barr Building Washington, D. C.

**NICHOLS COMPANY
INSURANCE ADJUSTMENTS**
Representing Companies Only—All Lines
Woodward Building, Washington, D. C.
Mutual Building, Richmond, Va.
105 No. Loudoun St., Winchester, Va.
604 Mercantile Trust Bldg., Baltimore, Md.
Prompt and Efficient Service Since 1921

IDAHO

**IDAHO ADJUSTMENT
SERVICE, INC.**
J. Edward Warner, Manager
Adjustments—All Lines
Car Recoveries Skips Located
P. O. Box 288, Twin Falls, Idaho

ILLINOIS

MACARRIS CLAIM SERVICE
166 West Jackson Boulevard
Chicago, Illinois
Harrison 9481
All casualty lines. Defense only.
Sum Indemnity, Car & General, Liberty
Mutual. Others on request.

**THOMAS T. NORTH
ADJUSTMENT COMPANY**
Automobile—Fire, Theft, Collision,
Conversion, Liability, Property Damage
Inland Marine, Burglary
175 W. Jackson Blvd. Harrison 3230
CHICAGO

JOSEPH RICE & CO.
INVESTIGATIONS & ADJUSTMENTS
ALL CASUALTY LINES
958 Ins. Exch. Bldg. Phone: Harrison 8668
Chicago

ILLINOIS (Cont.)

**WAGNER & GLIDDEN, INC.
TOPPLIS & HARDING, INC.**
INSURANCE ADJUSTMENTS
ALL LINES
Chicago New York
Los Angeles and Detroit
Offices Throughout the World

Established 1899
**WHITNEY & MILLER
ADJUSTMENTS**
175 W. Jackson Blvd. CHICAGO

**WILSON S. LEVENS
& CO.**
ADJUSTERS—ALL LINES
Insurance Exchange Bldg. Chicago

CLARENCE W. HEYL
8th Floor, Central National Bank Building
Peoria, Illinois
Investigations and adjustments in all insur-
ance lines.
Representing thirty leading companies.
Phones—Office 8184
Night 4-2051, 2-2251, 5027

INDIANA

**INDIANA ADJUSTMENT
COMPANY**
130 E. Washington Street
INDIANAPOLIS
AUTOMOBILE AND CASUALTY
Resident Adjusters at
Evansville, Fort Wayne, Gary, Indianapolis,
South Bend, Richmond and Louisville, Ky.

**Eugene McIntire
Adjustment Co., Inc.**
Automobile, Casualty, Compensation and
Surety Adjustments
Eight, East Market Street
INDIANAPOLIS

Foley Adjustment Bureau
200-201 Union Trust Building
South Bend, Indiana
Specializing in automobile and casualty claims.
Immediate service northern Indiana and Southern
Michigan.
Representing over one hundred companies for ten
years.
Phones: Office—4-1188. Night—3-8522, 3-2287,
3-2038.

IOWA

**JUDD W. CROCKER
CLAIM DEPARTMENT, INC.**
Southern Surety Bldg. 308 Davidson Bldg.
Des Moines, Iowa Sioux City, Iowa
Ralph J. Bellizzi Fred M. Hagen
Branch Manager Branch Manager

MARYLAND

**NICHOLS COMPANY
INSURANCE ADJUSTMENTS**
Representing Companies Only—All Lines
604 Mercantile Trust Building, Baltimore, Md.
Woodward Building, Washington, D. C.
Mutual Building, Richmond, Va.
105 No. Loudoun St., Winchester, Va.
Prompt and Efficient Service Since 1921

MICHIGAN

SAMUEL PLATT
2111 National Bank Building
Detroit, Michigan
Staff adjuster in Home Office for many years.
Highly qualified to adjust or settle claims
in Fire, Casualty and Surety over Michigan.

MISSOURI

CLAIM SERVICE COMPANY, INC.
Insurance Exchange Building
TWENTYFIVE WEST LOUISIANA
KANSAS CITY MISSOURI
ALL-RISK E. L. "RED" HOTH. PROMPT
AUTOMOBILE MANAGER CAREFUL
INLAND MARINE ADJUSTMENTS

NEBRASKA

**JUDD W. CROCKER
CLAIM DEPARTMENT, INC.**
Grain Exchange Bldg.
OMAHA
Stuart Bldg. First National Bank Bldg. Trapp Bldg.
LINCOLN GRAND ISLAND NORTH
PLATTE

R. T. GUSTAFSON COMPANY
Insurance Adjusters—Serving Nebraska and Iowa.
CASUALTY—ALL CLASSES: Auto, Liability, Com-
pensation, Burg., H&A, P. O., Bonds, etc.
AUTO FIRE, Theft, Property Damage, Collision, etc.
OMAHA, NEBRASKA
234 Keeline Bldg. Office: Webster 2831
17th & Harvey Sts. Res.: Kenwood 7411
30 years experience investigations and adjusting.

NEVADA

PAUL M. HURSH
Office Phone: Reno 8423
Res. Phone: Reno 6023
NEVADA ADJUSTMENT BUREAU
Insurance Adjusters and Appraisers
8 Hill Building, Reno, Nevada
Hartford Accident & Ind. Co., Twin City Fire Ins.
Co., Occidental Indemnity Co., General Accident
Assur. Co., Hardware Mutual Cas. Co., Standard Acc.
Co., Sentinel Fire Ins. Co., General of America.

NEW MEXICO

CHAS. W. KRUEGER
General Adjuster
Fire, Automobile and Allied Lines
Since 1921
(For Companies only)
213 So. 3rd St.
Albuquerque, N. Mex.

OHIO

M. M. WELSH
With associate staff and legal service.
1216 First National Bank Bldg.,
CINCINNATI, OHIO
Phone Parkway 1896—Night & Holidays East 3998
General Adjusters for the Companies
Operating throughout Ohio, Northern Kentucky and
Southeast Indiana.

**JOHN H. McNEAL
and
HARLEY J. McNEAL**
582 Auditorium Bldg., 1367 E. 6th St.
Phone Main 1926 CLEVELAND
Attorneys-at-Law
Facilities for Investigations, Adjustments and
Trial work over Northern Ohio.

GEORGE H. LEWIS
1723 Nicholas Building
Toledo, Ohio
Fidelity & Cas. Co., Mass. Bonding Co., New
York Casualty Co. and others.
Equipped for Investigations, Adjustments,
Settlement of Claims. All North-Western
Ohio.

OKLAHOMA

C. R. WACKENHUTH
ADJUSTER
1205 East 32nd Street
Phone 2-5400 Tulsa, Okla.

OREGON

JACK C. NEER CO.
—INSURANCE ADJUSTERS—
We have facilities for handling any and every
kind of insurance claim or loss.
SUITE 428, MEAD BUILDING
PORTLAND, OREGON

TENNESSEE

HUTCHISON & McKELVY
1113 Independent Life Building
Nashville, Tennessee
Serving Tenn., Ky., Ala.
Prompt, Efficient. All lines.

TEXAS

**O. T. KLEPINGER
INSURANCE ADJUSTER**
for the Companies
Second National Bank Building
Houston, Texas
All classes of insurance losses solicited.

L. M. WAITE & COMPANY
CASUALTY INSURANCE ADJUSTERS
FOR INSURANCE COMPANIES
Insurance Building
San Antonio

UTAH

**NICHOLS ADJUSTMENT
BUREAU**
ADJUSTERS—ALL LINES
Investigations—Operating anywhere Inter-
mountain territory.
Head Office Branch Office
Salt Lake City, Utah First National Bank Bldg.
Boise, Idaho

VIRGINIA

**NICHOLS COMPANY
INSURANCE ADJUSTMENTS**
Representing Companies Only—All Lines
Mutual Building, Richmond, Va.
105 No. Loudoun St., Winchester, Va.
604 Mercantile Trust Bldg., Baltimore, Md.
Woodward Building, Washington, D. C.
Prompt and Efficient Service Since 1921

WASHINGTON

A. B. and T. D. EVERTS
Insurance Adjusters
Title Insurance Building
Seattle, Washington
Oldest fire adjusting office in Seattle special-
izing in fire and allied lines.

WILKINS AND MILOT
—Investigations and Adjustments—
Automobile and All Casualty Lines
Specializing in Liability Claims
Members Washington Bar Association
514 INSURANCE BUILDING, SEATTLE

WISCONSIN

NURNBERG ADJUSTMENT CO.
General Adjuster
Fire, Windstorm, Hail, Automobile, Casualty
and Inland Marine
Underwriters Exchange Building
MILWAUKEE
223 N. Broadway Phone Daily 5428
BRANCH OFFICES:
ANTIGO & MADISON

WYOMING

**JUDD W. CROCKER
CLAIM DEPARTMENT, INC.**
402 Hynds Building
Cheyenne, Wyoming
Clarence R. Ferguson
Branch Manager

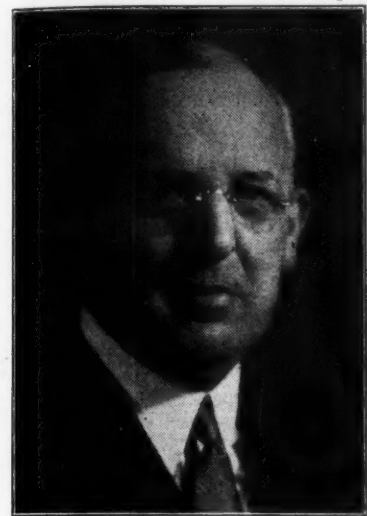
FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Rockford Field Festivities

**Local Board Outing Attracted a Large and Distinguished Attendance—
Bird Was Toastmaster**

The annual field day of the Rockford, Ill., Board of Fire, Casualty & Surety Underwriters has gotten to be an event of real importance as it draws distin-



ROBE BIRD

guished men to the outing. There were 176 in attendance. William McKenzie of Springfield, Ill., won class A, low gross, 78. Norman Young of Chicago won class A, low net, 81 with 10 handicap. G. P. Smith of Bloomington was winner of class B low gross, 81. J. S. Wortman of Rockford won low net class B, 86, with a 17 handicap. O. H. Sturgeon, Springfield, won low gross class C, 92. Loren Whitehead of Rockford won low net class C. C. E. Moore was the blind bogey winner and Ed Heffran of Rockford captured high gross. Clyde Fiddick of Rockford and George Mayer of Chicago were awarded the attendance prizes.

Department Men Present

Robe Bird, western manager of the American, was toastmaster at the dinner. He introduced from the Illinois insurance department George A. Haas, J. O. Brown, Hiram McCullough and Pat Driscoll. W. Herbert Stewart of Chicago, president Illinois Association of Insurance Agents, was presented as was Allan I. Wolff of Chicago, former National president, who gave a talk. State Fire Marshal Sherman Coultas, C. G. Williams, manager of the Rockford office of the Illinois Inspection Bureau; Mayor Brown of Rockford; State Senator Baker; Rockwood Hosmer, former president Illinois association, and W. D. Williams, western manager Security of New Haven, were introduced.

Indiana Veteran Is Honored on His 50th Anniversary

At the celebration of the completion of 50 years in the insurance business by J. A. Jones of Kendallville, Ind., L. J. Fischer, state agent of the Home, presented Mr. Jones a gold medal; C. R. Watkins, state agent New York Underwriters, presented a gold fob, and W. H. Riker, western manager North America, presented him a 50-year certificate. W. L. Jones, special agent Commercial

Union, was chairman of the committee on arrangements and he was toastmaster at the dinner. Representatives of other companies in the agency who were present were A. W. Schmadeke, Atlas; D. D. Fitzgerald, Commercial Union; P. V. Chivington, Fidelity & Guaranty Fire; L. R. Swanson, L. & L. & G.; R. W. Owens, agency superintendent, New York Underwriters; V. R. Montgomery and A. R. Graham, North America; J. C. Johnson, Pennsylvania; M. B. Shaw, Royal Exchange; John H. Hellekson, Springfield; W. H. Polz, Sun; G. R. Juenger, Westchester; John E. Messick, U. S. Fidelity & Guaranty; K. J. Grant, Ocean Accident; R. H. Maney, Western Adjustment.

Ohio Field Men Must List Policies They Have Signed

COLUMBUS, O., June 30.—The Ohio department has requested company field men, in an official inquiry, to submit a list of policies that they have countersigned under the authority of their resident agent licenses. Field men in Ohio must be registered as company representatives and most of them are licensed also as agents. There is much interest in what is behind the inquiry.

Des Moines Meeting Held

DES MOINES, June 30.—Nearly 200 agents operating in zone 6, the Des Moines territory, assembled here for a meeting featured by a Business Development program. The meeting was directed by M. S. Denman, Witmer-Kauffman-Evans agency, and W. H. Harrison, state agent National Fire, both of Des Moines.

Speakers included Sidney Clark, special representative of the Royal-Liverpool groups, from Chicago; D. J. Murphy, Dubuque, Ia.; R. W. Forshay, past president Iowa Association of Insurance Agents, Anita, Ia.; R. M. Evans, R. W. Criswell, Frank D. Carr and Don Butters, all of Des Moines. Similar meetings recently were held in Sioux City, Council Bluffs and other Iowa cities.

Withdraws Rural Protection

KAUKAUNA, WIS., June 30.—The city council has withdrawn fire protection to persons living outside the city limits. It empowered the fire and police commission to terminate protection agreements with several neighboring districts that have no fire protection. Time will be allowed for making other provisions. The city is now paid \$100 for calls outside the city but the income has not been more than \$200 annually, while the city has the expense of maintaining the department by taxation and the outsiders enjoy lower insurance rates with practically no cost.

Name South Dakota Deputies

MILLER, S. D., June 30.—P. J. Dunn, who takes office tomorrow as insurance commissioner, has appointed four deputy fire marshals; Robert Parrott, Pollock; John H. Wooley, Highmore; Earl Eastman, Platte; S. G. Mortimer, Belle Fourche.

Duluth Convention Plans

DULUTH, MINN., June 30.—Committee appointments have been made for the annual meeting of the Minnesota Association of Insurance Agents here Aug. 12-13. The Duluth Underwriters Association will be host and an effort is being made to make this the largest convention the Minnesota association

ever has held. The membership has now passed the 500 mark and is still growing.

Following are the committees that will handle the state meeting: Program, E. B. Dunning, chairman, C. F. Liscomb and E. C. Huhnke; registration and finance, R. T. Lundberg, chairman, Mrs. E. A. Colman, treasurer; hotels, Rod Hood, chairman; publicity, Jesse Bradley, Jr., chairman; entertainment, John Nansen, chairman.

Headquarters and meetings will be at the Spalding hotel.

End Minnesota B. D. Rallies

ST. PAUL, June 30.—Twelve Business Development zone meetings have been held in Minnesota, beginning last February at Duluth and continuing through the winter and spring. Total attendance is estimated in excess of 800. The final meeting was held here with about 100 in attendance.

P. H. Ware, secretary Minnesota Association of Insurance Agents, was in charge of the state-wide organization work and personally attended all the zone meetings. A group of field men assisted in the work.

Hail Fund Liquidation Slow

PIERRE, S. D., June 30.—Commissioner Dawson, who retires July 1, has given out a statement on the liquidation of the state hail fund, which has been underway for the past two years. Total payments to date are \$143,000 principal and \$30,087 interest on an indebtedness of \$395,000, leaving \$265,000 still due.

Unpaid premiums total \$346,185, but they are from three years to ten years delinquent, and are not looked upon as of any great value.

Wind Losses in Ohio

COLUMBUS, June 30.—The recent tornado that reached mainly the counties of Crawford, Wyandotte, Seneca and Richland and the town of Shelby caused extensive damage to farm properties, barns especially. Much of the liability was carried in Ohio Windstorm Mutual and Crawford County Mutual, both of Bucyrus. Considerable damage was done to an old brick factory building in Shelby. Several country churches were damaged.

Wichita Insurers Hold Outing

The Wichita Insurers held their annual outing June 25 with some 300 in attendance, including many field men and company officials. All offices closed early so that employees and their families could join in the festivities. Howard Snyder of Smith, Stone & Snyder, Lee Webb of Blandin & Webb and Duane T. Stover of Harris, Burns & Co. were in charge.

Opens New Branch Offices

Branch offices have been established at Watertown, S. D., and Fargo, N. D., by J. L. Rolph & Co., Minneapolis adjusters. The Watertown office is in the Midland National Life building and the Fargo office is at 506 Black building. For some time offices have been maintained in Duluth and St. Paul in addition to the main office in Minneapolis. The Rolph organization handles loss adjustments of all kinds, fire, casualty and inland marine. With its five offices it is now equipped to handle adjustments in all of the northwest country, including northern Iowa, northern and western Wisconsin and the northern peninsula of Michigan.

Ohio B. D. Situation

Although the fact that mutual companies are represented in many of the agencies in Ohio precludes the conduct of a Business Development program in that state on the same basis that it is conducted in states where most of the agents are exclusively stock company

representatives, yet there is considerable Business Development activity in Ohio. Some of the local boards that are especially stock-minded are getting behind the campaign in an aggressive way and are working hand in hand with the field men. Then there is a substantial element in the state association of local agents that is lending support to the work, although on an individual rather than an association basis. The field men are quite well satisfied with the cooperation that they are getting from the agents in the state, considering the fact that the state association is not in a position to get behind it as a unit.

Approve Cincinnati Application

Application of H. E. Fahrenbruck & Son has been approved by the governing committee of the Cincinnati Fire Underwriters Association and will be submitted to the membership. The agency represents the Fulton and Philadelphia F. & M. Mr. Fahrenbruck formerly was a solicitor for Perkins & Geoghegan.

The following solicitor applications have been filed and will be submitted at the next committee meeting: L. C. Gartner, Laws Agency; George Linn, Midland Agency; Mrs. Freda Metzner, N. C. Canty & Co. Class 2 applications include G. P. Hammerlein, Gustav May Agency, and Harold Sweeney, Harris-Roberts.

Bubolz Back from Washington

APPLETON, WIS., June 30.—Gordon A. Bubolz, president of the Home Mutual (tornado and hail), and secretary-treasurer of the Home Mutual Casualty and the Integrity Mutual (fire), is returning from Washington, where he has been associate economist in the insurance department of the Farm Credit Administration the past year, to resume his duties with those companies.

A series of homecoming conventions for agents is being held this week, at Madison for the southern district, at Eau Claire for the western and central districts, and at Appleton for the north-eastern district, to welcome Mr. Bubolz.

Du Page County, Ill., Outing

The Du Page County (Ill.) Association of Insurance Agents will hold its annual outing and golf tournament July 14 at Ruth Lake country club southwest of Hinsdale. Agents, state agents, company officials, underwriters, claim men and others are invited to attend. J. L. D. Langan is president and H. G. Schoen, Elmhurst, secretary.

Mutual Official Lauds Cooperatives

B. R. Jones of Des Moines, president Town Mutual Dwelling of Iowa and former president National Association of Mutual Insurance Companies, told the American Institute of Cooperation meeting at Ames, Ia., that the cooperative movement is a step towards solution of social economic problems. He said the movement should be unified.

Slawson Is Wichita Visitor

M. W. Slawson of the special service department of the Royal-Liverpool group at Cleveland and Mrs. Slawson were visitors in Wichita last week. Mr. Slawson was formerly with the Dulaney, Johnston & Priest agency, with which his brother, C. J. Slawson, is now connected, and later traveled Kansas for the Royal.

Grimes Inspection Department Head

J. L. Grimes of Salina, Kan., has been appointed director of the Kansas department of inspections and registrations, succeeding A. W. Logan. The office, through its fire division, handles the duties of the state fire marshal. A new chief of that division to succeed

Clyde Latchem is expected to be announced soon.

North Dakota Federation Meet

The executive committee of the Insurance Federation of North Dakota met this week at Devils Lake to organize and name committees.

Champaign County Picnic

The Champaign County (Ill.) Local Agents Association will hold its annual picnic Sept. 16 at the Champaign Country Club.

Form Boonville Association

Formation of the Boonville (Mo.) Association of Insurance Agents is being completed. W. E. Gantner is president and Joseph M. Emmel is secretary.

Wichita Agency Held Up

The Overholt-DeVore Agency and the Citizens Finance Company, which occupy the same office in the heart of Wichita, Kan., were held up by a lone bandit Saturday. Mr. DeVore was forced to turn over the contents of the cash drawer, some \$300.

Middlewestern Notes

Mrs. Ben F. Brewer, wife of a local agent at Keytesville, Mo., died there.

W. O. Wade, 73, formerly in the insurance business in Columbus, O., died in Chicago. Burial was at Columbus. He retired several years ago because of his health.

A. N. Thauer, 56, operating the Thauer Insurance Agency at Watertown, Wis., for more than 30 years, died at his home there. A son, John W., was associated with his father in the agency.

SALVAGE

TRANSPORTATION,
FIRE AND CASUALTY
LOSSES

PURCHASE OR COMMISSION
BASIS

Nation-wide Service

BEST RETURNS

Experienced Salvage Crews,
Inventory and
Sales Departments

Ironwood Trading
Company

OFFICE AND WAREHOUSES
1216 South Michigan Avenue
Calumet 5977

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

90 John Street - - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

IN THE SOUTHERN STATES

May Survey Commission Situation in Louisville

Word from Louisville is that the local agents believe that the commission situation there is destined within the next few months to receive some attention from Western Underwriters Association. At the last meeting of W. U. A., it is understood, the Louisville committee was requested to make a survey and make a report at the 1937 autumn meeting. Such a survey has not yet been made and it is doubtful whether an inquiry will be conducted this summer. It may be that a survey will be made shortly before the fall W. U. A. meeting.

Some of the leaders in Louisville have from time to time discussed the commission situation with company executives. There has been a tendency for commissions to inch upwards in that city. The responsible agents there are reported to be anxious lest the scale reach such a point that a disturbing reform program be demanded. The Louisville Board does not have control of commissions, but some of the leading agents in that city have suggested that the board might assume such regulatory powers and thus avoid the necessity of the companies taking a hand.

Philpott Points to Progress

S. W. Philpott, secretary Oklahoma insurance board, in addressing a Business Development meeting in Tulsa, contended that in the past two years much progress has been made in Oklahoma toward stabilized agency and company management. He spoke in quite general terms. "Our program," he said, "was launched in full respect of the interests of all concerned—it does not favor one element or the other—therefore it has grown in popularity as its usefulness begins to unfold and I see no danger that it will ever be destroyed. To the contrary, with wise counsel and safe undertakings, we may hope that still greater benefits await us in the future and here should make the high resolve to support the insurance program and speed its progress."

Security National in Oklahoma

The Security National Fire, Galveston, Tex., has been licensed in Oklahoma. Bomford Brothers, 222 Atlas building, Tulsa, are appointed general agents.

Carter Secures the State

B. P. Carter of Richmond, Va., has been appointed manager of the North Carolina-Virginia department of the State of Pennsylvania succeeding State Agent Andrew E. Douglass, who returns to the head office in Philadelphia. Mr. Carter is one of the well known general

agents at Richmond. Harry T. Hall, Lawyers building, Raleigh, N. C., is state agent for Mr. Carter's companies.

Opens New General Agency

W. G. Stephens, Jr., has opened the Stephens general agency in the Trust Company of Georgia building, Atlanta. He will operate throughout the state. He represents the Central Fire of Baltimore, Pacific Coast Fire and the United States Casualty. He is a graduate of the Insurance Institute of America and has spent 20 years with the J. F. Lewis general agency.

New Exchange at McAlester

The McAlester Insurance Exchange has been organized at McAlester, Okla., with John Leibrand as president; C. S. Brice, vice-president, and Miss Helen Ainsworth, secretary-treasurer.

The membership comprises 11 agencies, representing 92 percent of the business written in the city.

Membership of the Oklahoma Association of Insurers has increased from 54 paid members in February, 1936, to 410 in June, 1937.

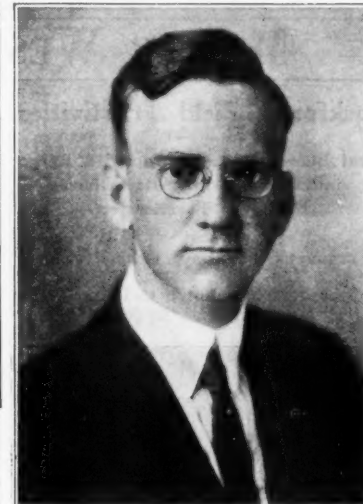
Change in Lawrenceville, Va., Agency

J. B. Barkley has retired from the Brunswick Insurance Agency, Lawrenceville, Va. B. W. Sebrell, Jr., senior member of the firm, will continue to operate it in association with W. R. Rodgers of Lawrenceville who has acquired Mr. Barkley's interest.

New Louisville Board Members

The Louisville Board has admitted to membership the Sterling G. Thompson Agency, a new agency, and Klein & Appel. Mr. Thompson formerly was a

New President



J. DAVIS EWELL, Richmond

J. Davis Ewell, vice-president of the Richmond, Va., local agency of Gibson, Moore & Sutton, becomes president of the Virginia Association of Insurance Agents. He has been chairman of the executive committee the past year.

solicitor with Brown & Martin. Klein & Appel have operated heretofore as a non-board agency.

Muskogee Exchange Incorporates

The Muskogee Insurers Exchange, Muskogee, Okla., has been incorporated by E. J. Phelps, Earl G. Anthis, and Ted Seibold.

PACIFIC COAST AND MOUNTAIN

California Agent, Broker Fee Bill's Fate Not Known

SAN FRANCISCO, June 30.—Until the fate of Senate Bill 466, now before Governor Merriam for signature, is known, applications for license renewal for the new year beginning July 1 are being held up by the division of insurance. Ordinarily renewal applications are mailed in May and June.

Under the measure the renewal fee for individual agents and solicitors is being raised from \$2 to \$4. The renewal fee for brokers will be \$10 instead of \$5 and changes are also made in the renewal fees for copartnerships, associations and corporations. Instead of a flat fee of \$2 for agents and \$5 for brokers, irrespective of the number of associates engaged in transacting insurance, it is provided that a comparable additional fee will be charged for each individual actively engaged in the agency or brokerage business. Renewal applications must be filed by May 31, with a double fee as a penalty for late filing.

While it is not known what action Governor Merriam will take, he is being urged to approve the measure so that the division of insurance may have adequate funds with which to carry on its work. Agents and brokers throughout the state are urging its approval.

Convict Lloyds Man

Hartley Caldwell has been convicted in Los Angeles municipal court of violation of the California insurance code. He is a director of the British Foreign Syndicate, a London Lloyds affiliate.

Two counts alleged he was not licensed as an agent and yet acted as such, while two others charged that, while not licensed as a surplus line broker, he placed policies in a non-admitted carrier.

The court will sentence him and hear his plea for probation this week. The statute provides maximum penalty of \$500 or six months in jail for each count under the agency law and \$1,000 or six months in jail under the brokerage regulation.

Schmelz on Coast Trip

C. C. Schmelz, assistant secretary American Home Fire, spent several days in Los Angeles and visited Yosemite National Park, accompanied by Leonard Newport, Los Angeles general agent, en route to San Francisco.

Western Conference Meeting

The Western Conference of Insurance Commissioners held a meeting in Philadelphia at the time the National Association of Insurance Commissioners gathered. H. H. Earle of Oregon presided as chairman and A. J. Ham of Wyoming acted as secretary. Considerable discussion arose as to the proper course to pursue in the allocation of premiums developed from general cover and floater business. There has been some question as to whether the com-

SELL ACCIDENT
HEALTH
INSURANCE

**A The
Accident & Health
REVIEW**

tells you how, gives you new sales ideas and suggestions, latest news, court decisions, etc., etc.

Send 9c in stamps for sample copy to
A-1946, Insurance Exchange, Chicago.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

ALABAMA

**LAW OFFICES OF
Coleman, Spain, Stewart
& Davies**
706 to 719 Massey Building
Insurance Attorneys
Birmingham, Alabama

ARIZONA

HENRY C. McQUATTERS
Masonic Building
Flagstaff, Arizona
Trial of all insurance cases in State and Federal Courts. Covering Northern Arizona.

CALIFORNIA

GEORGE R. LOVEJOY
420 Brix Building
Fresno, California
Specializing in Insurance trial work — State and Federal Courts in this territory.

LAWRENCE HALL
640 Jergins Trust Building
Long Beach, California
Specializing in trial work. Equipped for investigation and claim work in Long Beach—Los Angeles harbor area.

STEADMAN G. SMITH
920 W. P. Story Building
Los Angeles, California
Admitted Illinois 1921—California 1924
Trial of insurance matters in State and Federal Courts.

**WILLIAMSON, RAMSAY &
HOGE**
Title Insurance Building
433 S. Spring Street
Los Angeles, California

VERNON F. GANT
Modesto Bank Building
Modesto, California
State Farm Mutual—others on request.
Trial of all insurance cases in State and Federal Courts in this territory.

Dunn, White & Aiken
1440 Broadway
Oakland, California

GLENN H. CUTLER
Suite 220, Pacific Southwest Bldg.
Pasadena, California
Specializing in insurance trial work — State and Federal Courts.

ALLARD & WHYTE
First National Bank Building
Pomona, California
Representing Aetna Group — others on request. Investigations, adjustments, trial of all insurance cases in State and Federal Courts.

CALIFORNIA (Cont.)

HARMON C. BROWN
3616 Main Street
Riverside, California
Fireman's Fund Group (partial) and others on request. Local attorney for the Atchison, Topeka and Santa Fe Railway Co. Investigations, adjustments, trial of all insurance cases in State and Federal Courts.

**HUSTON, HUSTON &
HUSTON**
Capital National Bank Building
Sacramento—California
Also Offices
Democrat Building
Woodland, California

**STEARNS, LUCE, FORWARD
& SWING**
1220 San Diego Trust & Savings Building
San Diego, California
Travelers, Standard Accident, Maryland Casualty and many others on request.
Defense of Insurance Companies in Southern California.

GLENSOR & SCHOFIELD
449 Mills Tower
San Francisco, California

**HADSELL, SWEET,
INGALLS & LAMB**
Financial Center Building—San Francisco
Partial Representation: Continental Cas. Co., Fidelity & Cas. Co., Globe Ind. Co., Great Amer. Ind. Co., London Guarantee & A. Co., Medical Prot. Co., New Amsterdam Cas. Co., Phoenix Ind. Co., Royal Ind. Co. and various Life, Fire and Health and Accident Companies.

KEYES & ERSKINE
Herbert W. Erskine William A. White
Morse Erskine J. Benton Tulley
625 Market Street
San Francisco, California
General Counsel Pacific National Fire Ins. Co. Trial of insurance cases in State and Federal Courts.

JOHN J. TAHENY
Hobart Building
San Francisco, California
Representing Associated Indemnity Corp., General Reinsurance Corp., and others.
Former vice-president and general counsel of Associated Indemnity Corp., and Associated Fire & Marine Ins. Co., San Francisco.

**THORNTON, MENZIES &
TAYLOR**
311 California Street
San Francisco, California
548 South Spring Street
Los Angeles, California
Refer to any insurance office in San Francisco. Aetna, Continental Caledonian, Home, Home Indemnity. Others on request.

COLORADO

**GRANT, ELLIS, SHAFROTH
& TOLL**
730 Equitable Building
Denver, Colorado

LEE, SHAW & McCREERY
1217 First National Bank Bldg.
Denver, Colorado
Company references given on request.
Equipped for investigations, adjustment and settlements of all claims. Trial of all insurance cases in State and Federal Courts.

DELAWARE

**MARVEL, MORFORD, WARD
& LOGAN**
Delaware Trust Building
Wilmington, Delaware
Specializing in Insurance and Corporation matters.

FLORIDA

**MARKS, MARKS, HOLT,
GRAY & YATES**
1321 Graham Building
Jacksonville, Florida
Equipped for investigations, adjustments and trial of all insurance cases in Northern Florida.

MAGUIRE & VOORHIS
Florida Bank Building
Orlando, Florida
Representing the Aetna Group, American Surety, Fireman's Fund, New Amsterdam, National Surety, Standard Accident and many others.
Trial of all insurance cases in State and Federal Courts in this territory.

**WATSON & PASCO
& BROWN**
American National Bank Building
Pensacola, Florida
United States Fidelity & Guaranty; Hartford; New Amsterdam; Sun; Lumbermen's Mutual; Mastin & Company.

WYLIE & WARREN
308-312 Hall Building
St. Petersburg, Florida
American Surety Company of N. Y., New York Casualty Company, Glens Falls Indemnity Co., Standard Accident & Insurance Co., Mass. Bonding & Ins. Co.
Equipped for investigations, adjustments and trial of insurance cases in State and Federal Courts.

**McKAY, MacFARLAND,
JACKSON & RAMSEY**
Citrus Building
Tampa, Florida
Representing about thirty-five leading casualty and surety companies—names given on request.
Equipped for investigations, adjustments and trial of insurance cases in all courts.

EARNST & LEWIS
706-10 Guaranty Building
West Palm Beach, Florida
American Surety Company of New York, Hartford Accident & Indemnity Company, Fireman's Fund Indemnity Company, United States Guarantee Company, and many others furnished on request.
Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases, State and Federal Courts, in Florida.

GEORGIA

**BRYAN, MIDDLEBROOKS &
CARTER**
LAW OFFICES
924 Citizens & Southern National Bank Bldg.
Atlanta, Georgia
Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in Georgia.

Hitch, Denmark & Lovett
17 Drayton Street
Savannah, Georgia
Representing American Surety Co. of N. Y., New York Cas. Co., Continental Cas. Co., National Surety Corp., and numerous others.
Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in State and Federal Courts in Southern District of Georgia.

IDAHO

MARTIN & MARTIN
506-508 Idaho Building
Boise, Idaho
Fireman's Fund Insurance Company; Loyalty Group; Ohio Casualty Insurance Company and others.
Equipped for investigation, adjustments and settlement of all claims. Trial of all cases in State and Federal Courts in Southern Idaho.

IDAHO (Cont.)

CHAPMAN & CHAPMAN
Burkholder Building
Twin Falls, Idaho
General Group of Seattle, Hartford Accident & Indemnity and others on request.
Equipped for investigations and trial work in State and Federal Courts in south central Idaho.

ILLINOIS

JOHN K. NEWHALL
402 Keystone Building
Aurora, Illinois
Travelers, F. & C., Maryland Casualty Co.
Important investigations and adjustments.

Clausen, Hirsh & Miller
Attorneys & Counselors
135 South La Salle Street
CHICAGO
Special Attention to the Law of
Fire Insurance and Taxation

KENNEDY & FISCHER
10 South La Salle Street
Chicago, Illinois
Detroit Inter-Insurance Exchange
The Chicago Motor Club

LORD, LLOYD & BISSELL
Rm. 2460—135 South La Salle Street
Chicago, Illinois
Insurance defense—Casualty, Surety, Life & Fire Lines.

McKenna, Harris & Schneider
166 West Jackson Boulevard
Chicago, Illinois
Insurance Defense
Sun Indemnity, Liberty Mutual, Car & General, U. S. F. & G. Others on request.

**POPPENHUSEN, JOHNSTON,
THOMPSON & RAYMOND**
Eleven South La Salle Street
Chicago
Trial of Insurance cases—Casualty, Surety, Fire and Life — in all courts in northern Illinois.

EDWARD W. RAWLINS
James F. Wright
Associate
77 West Washington Street
Chicago, Illinois
Aetna affiliated companies, Massachusetts Bonding, The Medical Protective Company, Automobile Owners Insurance Co.

BARR & BARR
416 Rialto Square Building
Joliet, Illinois
Important investigations and adjustments.
Travelers, Continental Casualty Co., Loyalty Group and others.

CLARENCE W. HEYL
8th Floor Central National Bank Bldg
Peoria, Illinois
Trial of Insurance cases: representing
MARYLAND, FIDELITY & CASUALTY,
ROYAL, GLOBE, EAGLE, BANKERS
INDEMNITY AND OTHERS.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

INDIANA

DAVIS & EICKHORN

Gary State Bank Building
Gary, Indiana
Ocean Accident & Guaranty Co., Columbia Casualty Co., American States Insurance Co.
Important investigations considered.

HENRY & FUNK

Investigations—Adjustments—Trial Work
References on Request
501-7—130 E. WASHINGTON BLVD.
INDIANAPOLIS

LUTZ AND JOHNSON

Suite 728-32 Circle Tower
Indianapolis, Indiana
Insurance Attorneys

NOEL-HICKAM-BOYD & ARMSTRONG

Suite 1019—130 East Washington
Indianapolis, Indiana
Aetna Group, Commercial Casualty, Metropolitan Casualty, Standard Surety & Casualty, N. Y., and many others.
Trial of all insurance cases in State and Federal Courts.

Slaymaker, Merrell & Locke

Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty
Insurance Litigation
751-780 Consolidated Building
INDIANAPOLIS

IOWA

HICKENLOOPER and MITVALSKY

Merchants National Bank Building
Cedar Rapids, Iowa
Northwestern National Casualty Co., Milwaukee, Wisc., and others on request.
Defense trial of all insurance cases in State and Federal Courts in this territory. Equipped for investigation, adjustment and settlement of claims.

SWANSON & PERKINS

Park Building
Council Bluffs, Iowa
Equipped for investigations in Southwest Iowa. Trial of insurance cases in State and Federal Courts.

CARL H. LAMBACH

1102 Davenport Bank Bldg.
Davenport, Iowa
Specializing in insurance trial work in State and Federal Courts. Department for investigations in Eastern Iowa.

BRADSHAW, FOWLER, PROCTOR & FAIRGRAVE

Suite 510 Crocker Building
Des Moines, Iowa
Representing Continental Casualty—Loyalty Group—Hartford Accident and many others.
Equipped for investigations and adjustments of Insurance Claims.

COMFORT & COMFORT

Frank J. Comfort George P. Comfort
1107 Southern Surety Building
Des Moines, Iowa
Massachusetts Bonding & Insurance Co., Casualty Reciprocal Exchange.
Trial of civil cases.
Investigations and adjusting.

IOWA (Cont.)

STIFF, PERRY, BANNISTER & STARZINGER LAWYERS

1000-1023 Bankers Trust Building
DES MOINES, IOWA
Travelers—Northwestern Life Co.—Globe Indemnity—Fireman's Fund.
Equipped for investigations, settlement of claims and trial of all insurance cases in State and Federal Courts.

BREESE & CORNWELL

First National Bank Building
Mason City, Iowa
Equipped for Investigations—Northern Iowa

A. R. STRONG

623 Davidson Building
Sioux City, Iowa
Equipped for investigations, settlement of claims, all insurance cases in State and Federal Courts.

KANSAS

HALL & CLARK

303-304 Wolcott Building
Hutchinson, Kansas
Specializing in all phases defense of insurance companies.
Reference: Western Adjustment & Inspection Company.

KELLER, MALCOLM & BURNETT

204 National Bank Building
Pittsburg, Kansas
Counsel for: Employers Group, Standard Accident, Central Surety, Sun Indemnity, U. S. F. & G., Northwestern National, Prudential and others. Specializing in Insurance Law. Equipped for investigations, settlement of claims and trial of insurance cases in State and Federal Courts in Southeastern Kansas.

PINGRY & PINGRY

First National Bank Building
Pittsburg, Kansas
The Aetna Group, Manufacturers & Wholesalers Indemnity Exchange, The Mercer Casualty Company, Indemnity Insurance Company of North America, The Glens Falls Indemnity Company.
Equipped for investigations, adjustments, settlement and trial of insurance cases over southeastern Kansas.

NORRIS & JENKINS

Public Utility Bldg.
Salina, Kansas
Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others.
Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

Doran, Kline, Colmery, Cosgrove

903 National Bank of Topeka Bldg.
Topeka, Kansas
Equipped for investigation, adjustment, settlement and trial of insurance business of all kinds in Kansas.

HARRIS & SHEARER

302 Brown Building
Wichita, Kansas
Ohio Casualty, Employers Casualty, Builders & Manufacturers and others.
Equipped for investigations.

KENTUCKY

KEENON, HUGUETET & KESSINGER

Security Trust Building
Lexington, Kentucky
Prudential Insurance Company; Yorkshire; Massachusetts Bonding; National Casualty, Detroit; Greyhound Lines and others.
Equipped for investigations, adjustments, and trial of all insurance cases in State and Federal Courts.

KENTUCKY (Cont.)

Woodward, Dawson & Hobson

Insurance Attorneys
615-24 Kentucky Home Life Building
Louisville, Kentucky

LOUISIANA

McCOY, KING & JONES

Suite 515 Weber Building
Phone 400
Lake Charles, Louisiana
American Auto Ins. Co., American Surety, Employers Group, Fireman's Fund Ins. Co., Maryland Casualty, Travelers Group, U. S. F. & G., and many others.
Investigations and adjustments all over this territory.

LESLIE P. BEARD

1914 American Bank Building
New Orleans, Louisiana
Trinity Universal, Sun Indemnity, Central Surety & Insurance Corp., and many others.
Equipped for investigations, adjustments, and trial of all cases in State and Federal Courts in Eastern Louisiana.

MICHIGAN

HENRY A. PLATT

2111 National Bank Building
Detroit, Michigan
Specializing in defense Trial work for Insurance Companies.

SEABORG & RICE

Attorneys and Counselors
827 Penobscot Building
Detroit, Michigan
Randolph 5160

HARRY D. BOARDMAN

607 Jackson City Bank Bldg.
Jackson, Michigan
Western Adjustment Company.
Former Prosecutor, Jackson County, and Assistant Attorney General of Michigan.
Trial work—investigations.

CLAIR S. BEEBE

1003 American National Bank Bldg.
Kalamazoo, Michigan
Western Adjustment & Inspection Co.
Trial of all insurance cases in State and Federal courts in this territory.

WM. C. BROWN

415 Hollister Bldg.
Lansing, Michigan
Representing about 25 Companies.
Trial in State and Federal Courts and before all State Departments and Boards.
Equipped for investigations.

MINNESOTA

BALDWIN, HOLMES, MAYALL & REAVILL

900 Alworth Building
Duluth, Minnesota
Travelers' Group, Mass. Bonding & Insurance Co., Pacific Mutual Life Insurance Co.

GUESMER, CARSON & MacGREGOR

1218-1232 Roanoke Building
Minneapolis, Minnesota

MINNESOTA (Cont.)

SEXTON, MORDAUNT, KENNEDY & CARROLL

Trial of insurance cases in Federal and State Courts in Minnesota.
Investigations, adjustments, and settlement of claims.
Pioneer Building Security Bldg.
St. Paul, Minn. Minneapolis, Minn.

MONTANA

CORETTE & CORETTE

619-621 Hennessy Building
Butte, Montana
American Surety Company; New York Casualty Company; Sun Indemnity Company.
Equipped for investigations, adjustments, trial of all insurance cases in Butte, Helena and western Montana.

HALL & McCABE

414 Strain Building
Great Falls, Montana
Company representation upon request. Equipped for investigations, adjustments and trial of insurance actions in State and Federal Courts, in North and Northwestern Montana.

MERLE C. GROENE

Lewistown, Montana
Standard Accident Company of Detroit, All-State Insurance Company, Chicago.
Others on request.

NEBRASKA

MAYER & MAYER

116½ West Third Street
Grand Island, Nebraska
Massachusetts Bonding & Insurance Company—others on request.
Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases in State and Federal Courts in Central Nebraska.

C. L. CLARK

410 Richards Building
Lincoln, Nebraska
Defense of insurance cases in all courts.
Investigation, adjustment and settlement of claims.
Loyalty Group, Northwestern National Casualty Company, Trinity Universal Insurance Company.
Others on request.

HOAGLAND, CARR & HOAGLAND

Suite 9-13, Trapp Building
North Platte, Nebraska
U. S. F. & G., Continental Casualty, Hartford Accident & Indemnity, St. Paul Mercury & Ind., Zurich, Western Insurance Co., and others on request.
Equipped for investigations and adjustments in western Nebraska.

ROSEWATER, MECHAM, SHACKELFORD & STOEHR

1028-40 City National Bank Building
Omaha, Nebraska
Representing 35 Insurance Companies—Kemper Group—Loyalty Group—Sun—Home—Liberty of Boston—American Surety—Security of Chicago—Employers of Wausau—Associated Ind. and others.
Complete trial and claim service over Nebraska and Western Iowa.

NEVADA

C. D. BREEZE

120 South 2nd Street
Las Vegas, Nevada
U. S. F. & G., Los Angeles; American Surety Co., San Francisco; and others on request.
Equipped for investigations and adjustments. Trial Defense Insurance Companies—Southern Nevada.

NEW MEXICO

MANN and TONKIN

605 Sunshine Building
Albuquerque, New Mexico
Metropolitan Casualty Insurance Co.; Commercial Casualty Co.; American Automobile Assn.; others on request.
Trial of all insurance cases in State and Federal Courts in the State of New Mexico.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

NEW YORK

David F. Lee
David Levene
LEE, LEVENE, O'BRIEN & KRAMER
TRIAL LAWYERS
310 Security Mutual Bldg.
BINGHAMTON, NEW YORK
Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

Edward E. O'Brien
Donald W. Kramer

NORTH CAROLINA

HARKINS, VAN WINKLE & WALTON
Jackson Building
Asheville, North Carolina
United States Fidelity & Guaranty, Hartford Accident, Home, N. Y., Sun, Glens Falls, American Auto, many others on request.
Trial of all insurance cases in State and Federal Courts.

JNO. A. McRAE

108 Law Building
Charlotte, North Carolina
General American and others upon request
Equipped for investigations, adjustments, trial of all insurance cases in State and Federal Courts.

OHIO

WAITE, SCHINDEL & BAYLESS

1318-27 Union Central Life Building
Cincinnati, Ohio
Insurance Litigation, specializing in Life, Casualty and Fire—Trials in Federal and State Courts—Reference on request.

BULKLEY, HAUXHURST, INGLIS & SHARP

630 Bulkley Building
Cleveland, Ohio
Fireman's Fund Ins. Co., American Insurance Co., Bankers Indemnity Ins. Co., Globe Indemnity Co., Continental Casualty Co., London Guarantee & Accident Co., Ltd.

FOOTE, BUSHNELL, BURGESS & CHANDLER

1250 Terminal Building
Cleveland, Ohio
Metropolitan Life Insurance Co., Medical Protective Co., Hartford Accident & Indemnity Co., Western Insurance Co., Columbia Casualty Co., Ocean Accident & Guarantee Co.

JOHN H. McNEAL

HARLEY J. McNEAL

582 Auditorium Bldg., 1367 E. 6th St.
Phone Main 1928 CLEVELAND
Attorneys-at-Law
Facilities for investigations, adjustments and trial work over Northern Ohio.

LOGAN & BRADLEY

408 Home Bank Building
Toledo, Ohio

OREGON

HARRIS & BRYSON

201-8 Miner Building
Eugene, Oregon
Zurich General Accident and Liability Insurance Company, Ltd.; Manufacturers and Wholesalers Indemnity Exchange. (Other companies on request.)
Equipped for investigation, adjustments, settlement of all insurance cases, and trial in State and Federal Courts.

OREGON (Cont.)

BARTLETT COLE

1124 Board of Trade Bldg.
Portland, Oregon

Careful attention to all insurance matters. Trial of all insurance cases in State and Federal Courts.

DEY, HAMPSON & NELSON

800 Pacific Building
Portland, Oregon
Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

RAFFETY & PICKETT

410 Mead Building
Portland, Oregon
Globe Indemnity Co., Fireman's Fund Insurance Co. (Marine Department), other names upon request. Equipped to make investigations and adjustments, also trial of insurance cases in all State and Federal Courts.

SHEPPARD & PHILLIPS

1208 Public Service Bldg.
Portland, Oregon
U. S. F. & G., Lloyds of London, others on request. Investigations and Adjustments.

SOUTH CAROLINA

ROBERT McC. FIGG, JR.

43 Broad Street
Charleston - South Carolina
The Travelers Insurance Company, American Surety Company of New York, Hartford Accident & Indemnity Company, New York Casualty Company.
Trial of all insurance cases in State and Federal Courts. Equipped for investigations and adjustments.

THOMAS-LUMPKIN & CAIN

1006-7 Central Union Building
Columbia, South Carolina
Specializing in Fire, Casualty, Surety and Life. Trial of all cases.
Equipped for investigations and adjustments all over South Carolina.

SOUTH DAKOTA

BAILEY, VOORHEES, WOODS & BOTTUM

Sioux Falls
Charles O. Bailey (1860-1928)
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottum
Howell L. Fuller Ralph S. Rice

TENNESSEE

POORE, KRAMER & TESTERMAN

302 Fidelity Bankers Trust Building
Knoxville, Tennessee
Zurich Insurance Co., Chicago, Ill.; Preferred Accident Ins. Co., New York; Commercial Standard Ins. Co., Fort Worth, Texas; and other companies on request.
Equipped for investigation, adjustments and trial of cases in all courts in Eastern Tennessee.

TEXAS

UNDERWOOD, JOHNSON DOOLEY & HUFF

509 Amarillo Building
Amarillo, Texas
Consolidated Underwriters, Commercial Standard Insurance Co., Maryland Casualty Co., Texas Employers Insurance Assn., others on request.
Equipped for investigations, adjustments, trial of all insurance cases state and federal courts, Panhandle and West Texas.

TEXAS (Cont.)

COLEMAN GAY

Norwood Building
Austin, Texas
Travelers—American Indemnity—Glens Falls—others on request.
Practice before all State Departments.

HUBBARD, DYER & SORRELL

City National Bank Building
Corpus Christi, Texas
References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
Specializing in Insurance Law
Equipped for Investigation and Claims

LAW OFFICES COKE & COKE

First National Bank Building
DALLAS, TEXAS
Rosser J. Coke Thomas G. Murnane
Henry C. Coke, Jr. John N. Jackson
Julian B. Mastin Arthur E. Hamilton

SANER, SANER & JACK

Twentieth Floor Republic Bank Bldg.
Robt. E. Lee Saner Jno. C. Saner
Wm. H. Jack, Jr.
Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Court.
DALLAS, TEXAS

Cantey, Hanger & McMahon

15th Floor, Sinclair Building
FORT WORTH, TEXAS
Samuel B. Cantey Samuel B. Cantey, Jr.
(1882-1924) Alfred McKnight
William A. Hanger Willis A. Johnson
Mark Mahon B. K. Hanger
W. D. Smith
Investigations, Adjustments, Trial All Cases

COLE, PATTERSON & COLE

Citizens State Bank Building
Houston, Texas
Robert L. Cole, Sr. J. W. Galveston, Texas
Bennett B. Patterson J. Lee McDaniel
Robert L. Cole, Jr. Harold T. Thurrow
Seymour Lieberman R. E. Owens
Standard Accident Insurance Company of Detroit, Chicago, Lloyds.
United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

LAW OFFICES OF EDWARD S. BOYLES

FIRST NATIONAL BANK BUILDING
HOUSTON, TEXAS
Edward S. Boyles Willard L. Russell
M. S. McCorquodale Y. Lee McMahon
Bruce C. Billingsley Hugh Q. Buck
E. F. Gibbons

CRENSHAW & DUPREE

First National Bank Building
Lubbock, Texas
Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others.
Trial of all insurance cases in all courts. Equipped for investigations, adjustments, settlement of claims in plains Country.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building
San Antonio, Texas
Continental Casualty Co., Chicago; Indemnity Ins. Co. of North America, Phila.; Mass. Bonding & Ins. Co., Boston; Provident Life and Acc. Ins. Co., Chattanooga; Sun Indemnity Co. of New York; Volunteer State Life Ins. Co., Chattanooga, and others.

MOURSUND, BALL, MOURSUND & BERGSTROM

613 Frost National Bank Building
San Antonio, Texas
Loyalty Group and others gives on request.
Trial of all insurance cases, State and Federal Courts this territory.

UTAH

THATCHER & YOUNG

First Security Bank Building
Ogden, Utah
Travelers, Great American Indemnity, Maryland Casualty and others on request.
Equipped for investigations, adjustments, defense of insurance companies in Northern Utah.

Stewart, Stewart & Carter

1105 Continental Bank Building
Salt Lake City, Utah
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

WASHINGTON

ALLEN, FROUDE & HILEN

Northern Life Tower
Seattle, Washington
U. S. F. & G., Northwestern Mutual Life Ins. Co. Others on request.

DAVIS AND GROFF

(William Hatch Davis, former member Vermont Bar)
(Guy B. Groff, former member Maryland Bar)
1333 Dexter Horton Building
Seattle, Washington
(1) John Hancock Life.
(2) Fidelity & Guaranty Fire Corporation.
(Others on request)
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

N. A. PEARSON

403-04 Fourth & Pike Bldg.
Seattle, Wash.
Associated Indemnity Corp., and London Guarantee & Accident Co.
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

ROBERTS AND SKEEL

Insurance Building
John W. Roberts W. B. McKelvey
E. L. Skeel Wm. Paul Uhlmann
Tom W. Holman Harry Henke, Jr.
Frank Hunter W. E. Evenson
Tyne H. Hollander Robert H. Grace
Laurence Booth, Jr.
SEATTLE

SCHWELLENBACH & GATES

Alaska Building
Seattle, Washington
American Automobile Insurance Company, St. Louis, Missouri; other companies given on request.
Trial of all insurance cases, State and Federal Courts.

DANSON, LOWE & DANSON

Paulsen Bldg.
Spokane, Washington
Maryland Casualty Co., U. S. F. & G. Co., and others on request.
Investigations and trial of all insurance cases in state and Federal Courts.

PEDIGO, WATSON & GOSE

218 First National Bank Bldg.
Walla Walla, Washington
American Automobile of St. Louis, Great Lakes Casualty Company of Detroit. Others on request.
Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Courts, South-eastern Washington.

(Continued next page)

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

WASHINGTON (Cont.)

BONSTED & NICHOSON

Miller Building
Yakima, Washington

Loyalty Group, Pacific Indemnity, and others on request. Equipped for investigation and adjustments, trial of all insurance cases in Federal and State Courts.

WISCONSIN

STREHLOW & CRANSTON

510 Northern Building
Green Bay, Wisconsin

Equipped for adjustments, investigations and trial of cases.

GRELLE & SCHLOTTHAUER

185 Monona Avenue
Madison, Wisconsin

Lumbermans Mutual Casualty Co., Zurich, Pearl Assurance Co., Ltd. Equipped for investigations and adjustments. Trial of all cases in State and Federal Courts and before commissions.

BLOODGOOD, STEBBINS & BLOODGOOD

212 W. Wisconsin Ave.,
Warner Building
Milwaukee, Wisconsin

WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin

Special attention to the Law of Fire Insurance

POWELL & SPROWLS

11 First National Bank Building
Superior, Wisconsin

NEW YORK CASUALTY COMPANY, AMERICAN SURETY COMPANY, MARYLAND CASUALTY COMPANY—others on request. Equipped for investigations and adjustments and trial of all insurance cases.

WYOMING

JAMES A. GREENWOOD

Majestic Building
Cheyenne, Wyoming

Former Attorney General, State of Wyoming. Trial of all Insurance Cases in State and Federal Courts.

SELL

ACCIDENT
and HEALTH
INSURANCE

The

ACCIDENT & HEALTH

REVIEW

tells you how.

Send 9c in stamps for sample copy to A-1946 Insurance Exchange, Chicago.

panies are paying taxes to the proper states. The conference decided to have President Earle take up the subject with J. H. Doyle, general counsel of the National Board. Commissioners R. B. Rummage of Arizona and C. C. Neslen of Utah were present and elected to membership.

General Counsel Doyle of the National Board, after conferring with Commissioner Earle, stated he has put some propositions in writing for the commissioners to consider.

Watch to Membership Leader

The member of the California Association of Insurance Agents securing the largest number of new members between June 1 and the 1937 convention, to be held in Hollywood early in November, will be awarded a gold wrist watch, according to D. B. Goldsmith, vice-president in charge of membership. Winners in a similar previous contest are to be ruled out.

Fresno's Good Safety Work

The Fresno (Cal.) Insurance Association is credited with outstanding street and highway safety work in the drive of the California Association of Insurance Agents to reduce the number of automobile accidents. Heading the committee at Fresno are G. C. Appleton, president California association; L. R. Jeffords, president Fresno association, and Charles Bennett, district manager National Automobile Club.

Ralph Robertson, Pacific Coast director of the National Safety Council, is in Fresno to assist in reorganization of the local safety council. He will be assisted by Mr. Appleton.

Arizona Membership Gains

Membership in the Arizona Association of Insurance Agents, which was organized a year ago, has increased from 11 to 56. A representative delegation will probably attend the Dallas annual convention of the National Association of Insurance Agents this fall.

Rose Los Angeles Manager

H. M. Rose has been appointed Los Angeles branch manager of the Carl N. Corwin agency, with offices at 1031 South Broadway. He has been in the business several years.

Oregon Loss Record Gratifying

Fire losses in Oregon in 1936 were \$3,224,343, 26.8 percent less than the average yearly loss for the previous ten years, Commissioner Earle reports. These figures include losses in the Bandon con-

New Vice-President of the Commissioners Body



S. L. CARPENTER, JR.

S. L. Carpenter, Jr., California insurance commissioner, who was elected vice-president of the National Association of Insurance Commissioners at its annual meeting, is one of the outstanding officials, a man held in high regard, who has done a magnificent piece of work.

flagration, which represents 39 percent of the state loss.

Chico, Cal., Agents Elect

C. W. Houghton has been elected president of the Chico (Cal.) Association of Insurance Agents; C. L. Price, vice-president, and N. K. Macy, secretary.

Swayne Heads Farmers Mutual

Harold Swayne of San Diego was elected president of the California State Farmers Mutual Fire Insurance Association at its annual meeting, succeeding J. A. Smiley of Santa Ana. Grover Mahon of Stockton was named secretary.

Union Mutual Enters Colorado

The Union Mutual Fire of Providence, R. I., has been admitted to Colorado with the T. P. Bradshaw Insurance Agency, Denver, as general agent.

EASTERN STATES ACTIVITIES

Over 300 Help Aetna Fire Open Philadelphia Home

More than 300 agents and brokers in the Philadelphia and suburban territory were on hand at 425 Walnut street to help the Aetna Fire open its new four-story building in the heart of Philadelphia insurance district. The structure was purchased last fall and has been renovated under the supervision of Vice-president E. J. Sloan. Refreshments and a buffet lunch were served.

Home Office Men Present

The head office was represented by President W. Ross McCain, Vice-presidents Sloan, J. Ross Stewart, J. M. Waller, Frank G. Bush and Secretaries George G. Quirk, Frank S. Becker, Jr., and Ashby E. Bladen, Assistant Secretary John E. Downey, General Agent M. B. Seymour and Supervisor of Publicity F. Sidney Holt. The Philadelphia staff is headed by C. J. McNutt, branch manager Century Indemnity, and by State Agents B. L. Gregory and R. F. Morton of the Aetna and World and

Special Agents Howard L. Waterhouse and J. A. Aitken.

The night preceding the opening those from the home office as well as those on the Philadelphia staffs were entertained at dinner by Dr. C. J. Irvin, former officer and retired Pennsylvania state agent. Vice-president Stewart presided as toastmaster and called upon most of the 18 present for remarks.

Alfred Davenport Dies

Alfred Davenport, 57, junior member of William E. Davenport & Son, one of the oldest agencies in Boston, died at his summer home in Boxford, Mass. Mr. Davenport was a former president of the Boston Board, former chairman of the New England Advisory Board and a former state legislator. He was born in Boston and graduated from Boston University.

Syracuse Exchange Outing

Nearly 50 local agents and field men attended the annual outing of the Syracuse (N. Y.) Underwriters Exchange. The attendance was held down some-

what by a steady rain which cancelled plans for golf in the afternoon. This was the third consecutive year that rain has interfered with the annual get-together.

President Carl Young was assisted in arranging for the outing by Donald Armstrong and William Graham, secretary of the exchange.

Worcester Officers Reelected

The Worcester (Mass.) Protective Department at its annual meeting reelected E. L. Sanders, president Merchants & Farmers Mutual, as president for his 19th term. All other officers were also reelected.

Miss Agnes Duffy Dies

Miss Agnes J. Duffy, secretary to General Adjuster James J. McDevitt of the Fire Companies Adjustment Bureau in Boston and previously for many years secretary to Superintendent E. F. Rath, died at her home in Milton. She joined the bureau in 1919 and was widely known throughout New England.

D. F. BRODERICK
INCORPORATED

INSURANCE

D. F. Broderick Pres.	C. M. Verbiest V. P.-Gen. Mgr.
Robt. J. Byrnes V. P.	D. P. Dinwoodie V. P.-Controller
L. G. Goodrich V. P.-Treas.	

**DETROIT NEW YORK CHICAGO
WASHINGTON SAN FRANCISCO**

FACTUAL APPRAISALS

Impartial Valuations
of Industrial and
Commercial Property • A
quarter century of factual
appraisal service to Ameri-
ca's more conservative
business institutions.

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES
APPRAISAL ENGINEERS
4611-15 HAVENWOOD AVE. CHICAGO

**INSURANCE MEN
TAKE NO RISK...**

Coming
and
Going

IT'S HOTEL Gibson

F. W. PALLANT GEN. MGR.

1000 ROOMS \$2.50
WITH BATH FROM

Largest in CINCINNATI

REPRESENTED IN
CHICAGO by Harry McEvoy, Hotel Sherman
PITTSBURGH by Bethwell & Warner, Standard Life Bldg.

MARINE

Cardona in Eastern Field

J. R. Cardona has been appointed special representative of the inland marine and special lines department of the North British & Mercantile. He will spend a considerable part of his time developing business for the associated companies in the New York metropolitan district and throughout the eastern states. He has had extended experience in the inland marine underwriting field.

Mr. Cardona was guest at a dinner given by members of the T. J. Hogan agency, New York. He had been with that office since it was started.

Northern Advances Fabans

S. B. Fabans has been appointed marine agent in the Northern of London's Cook county office, Chicago, to succeed H. F. Kummerow, who has gone with the Home of New York. Mr. Fabans has been a Cook county special agent for the Northern since 1930.

He joined the company in 1925 and worked in several departments. His successor has not yet been appointed.

Give Up Fire Association

NEW YORK, June 30.—Because of the desire of Appleton & Cox, prominent marine underwriters, to represent only companies for which they have exclusive group marine and inland marine management, an amicable agreement has been reached with the Fire Association to terminate the general agency relation for marine and inland marine business as of July 31.

Wants Term Rule Extended

NEW YORK, June 30.—Upon radio appeal from certain members of the Inland Marine Underwriters Association, who were enroute home from London, consideration of the proposed extension of the term rule to both furs and jewelry covers was postponed at the meeting last week until that to be held July 1. Fine arts, bridges and personal property risks, except only furs and jewelry, are now written for term periods, and the proposition is that like concession be made as respects the last two named classifications.

Appleton & Cox Get Empire State

The Empire State, running mate of the Agricultural, appointed Appleton & Cox attorneys-in-fact for ocean and inland marine business. The office has represented Agricultural for a number of years.

Michigan Mutual Changes

The Michigan Mutual Auto of Traverse City, Mich., has appointed William Bourdow claim adjuster and C. McGuffin home office manager. Mr. Bourdow has been an adjuster with the company for some time and Mr. McGuffin has been connected with the Michigan insurance department and was formerly an underwriter with the state accident fund.

Get Union for Manitoba

McFadyen & Co. of Winnipeg have been appointed general agents for Manitoba of the Union of Paris.

Open with Accident—Sell your prospect an accident policy to get acquainted and pave the way to other sales. For sales suggestions read *The Accident & Health Review*, A-1946 Insurance Exchange, Chicago. Sample copy 10 cents.

Aim at Long Haul Risk Improvements

(CONTINUED FROM PAGE 19)

of accident which will be made up from them will be given general distribution and is expected to be a big factor in cutting down accidents.

Special efforts are being made to have these regulations adopted by all the states and made operative as to intrastate operations, which will make their enforcement much easier and much more effective. Eleven states have already adopted the regulations in their entirety and in 38 states some progress has been made in that direction.

Transportation of Explosives

The bureau is now taking up the question of the transportation of explosives or flammable liquids and expects to put out more specific regulations on that subject, which is now covered only incidentally in the general regulations. Arthur E. Mallinger of the safety section of the bureau sat in at a conference in Kansas City last week regarding the question of oil transport trucks, which has attracted especial attention in Kansas by reason of some very serious accidents there and the drastic regulations which some cities have sought to enforce. He said he was very much pleased with the attitude of cooperation shown by the oil companies at that conference and believes that a solution satisfactory to all interests can be worked out.

Ewell Is New Head of Virginia Agents

(CONTINUED FROM PAGE 3)

treasurer, G. F. Via, Charlottesville. Mr. Via succeeds F. S. Blanton, Farmville, who died last fall after being secretary-treasurer for 15 years. President Clarke looked after the duties temporarily pending selection of a successor. Deaths of Mr. Blanton and G. M. Goodridge, past president, were memorialized in resolutions. The new president will name chairmen of standing committees who will select committee members. Selection of the next meeting place was left to the executive committee. Mr. Ewell was named national councillor, succeeding Colonel E. E. Goodwyn, Emporia, resigned.

Approve Paid Manager Plan

The plan to establish the office of paid manager and the scale of dues recommended by the executive committee were approved. The committee recommended members contribute the equivalent of 1½ times annual dues as a special fund to give the manager plan a year's try-out. The maximum contribution will be \$125. It is hoped to have the plan put in operation early in the fall. T. G. Redden, president North Carolina Association of Insurance Agents, and S. G. Ostot, its paid manager, explained operation of the North Carolina plan, which is successful after several years' operation.

The scale of dues for the year beginning Sept. 1 is: Minimum fee \$10, based on all premiums written (except life) not exceeding \$5,000; increased \$5.00 for each additional \$5,000 or fraction; maximum \$125.

Score Rating Bureau

The Virginia Rating Bureau's action in April in reducing rates on certain classes of risks retroactive to Jan. 1 provoked much discussion. It was pointed out much extra work and expense were necessitated. It was stated investigation showed delay in promulgating orders and making rates retroactive was caused by the bureau's governing committee, which in the past had taken action in various matters affecting agents and assured without consulting with agents or giving reasonable notice.

The association called on the committee not to take similar action hereafter

without conference with agents' conference committee as previously agreed on. The conference committee of five consists of the immediate past president, president, executive chairman and two members appointed by the president.

Officers and members of the Virginia association were requested to cooperate with the National Association of Insurance Agents in eliminating overhead writing by companies of automobile insurance for finance companies.

To Canvass Office Candidates

It was resolved officers and members should attempt to determine the attitude of candidates for state executive positions regarding stock fire, casualty and surety insurance, and if the views were not definitely favorable the members should be bulletined.

The incoming conference committee was directed to take up with companies the supplemental fire contract for the revision of rates and coverage as soon as possible, opinion being that present rates in Virginia are excessive.

The administration was commended for many successful regional meetings, which it was recommended be continued. Stuart Ragland, Richmond, membership chairman, reported 76 members added during the year and paid membership 284, largest in history. The goal is 100 new members this year. Field men cooperated fully. There were 104 company representatives and 97 agents attending the convention.

Executive Committee Reports

Mr. Ewell reported for the executive committee that complaint had been made that the Century Fire was represented in Norfolk by an agency which also represented mutuals. When this was called to the attention of Special Agent F. W. Strudwick, the agency was taken up. Mr. Ewell said several alleged violations of the conference agreement relating to bank agencies were investigated. In the case of the Citizens Insurance Agency of Lawrenceville it was ruled the agency was in violation but it was cleared of violation charges. The Harrisonburg Loan & Thrift Corporation and Arlington & Fairfax Building & Loan Association also were declared in violation and cases called to attention of company representatives.

Reporting for the Business Development committee, Col. E. E. Goodwyn, chairman, said the program has helped to retain and recapture much business. The present committee and division of the state in districts were continued and the committee will continue to cooperate with a similar committee from the field club in combating non-stock competition.

Two Distinguished Speakers

"Drifting With the Tide" was the subject of an address by E. M. Allen, executive vice-president National Surety and past president National Association of Insurance Agents, whose remarks in brief are presented elsewhere in this issue. W. H. Bennett, secretary National association, also spoke, his address being digested in another column.

A. A. Applewhite, Newport News, public relations chairman, stressed in his report the importance of individual contacts with the public by agents. W. F. Curtis, Richmond, legislative chairman, said the Virginia department agreed to investigate genuine complaints of law violation without requiring an affidavit from the complainant. Cases must be susceptible of substantiation by evidence. The present law, the committee believes, permits the department to require an examination of agents before licensing them, and an effort is being made to have this done.

Presidential Address

Roger Clarke in his presidential address reviewed activities, noting that a disturbing factor has been the state's method of purchasing its insurance. A few years ago when there was no state rate-making organization, all state insurance was open to bids which overemphasized price and tended to place the insurance in weaker companies. Many

lowest bidders failed before the policies expired. In recent years the rate-making organization has compiled loss data and established a rate which would be manual for all companies, but the state has continued to secure bids for insurance. More recently the award has been given on the basis of promised dividends from non-stock carriers. It is inconsistent for one department of state to be charged with the responsibility of determining reasonable and adequate rates while another breaks down these rates by asking for competitive bids, Mr. Clarke said. It is inconsistent and discriminatory insofar as the public is concerned.

Governor Horner Signs the Illinois Insurance Code

(CONTINUED FROM PAGE 3)

Horner told those who gathered to watch him approve the bill.

"When I took office in 1933, Illinois insurance laws were a piece-meal set of statutes enacted over a period of more than 100 years. Many sections were obsolete, ambiguous and unworkable, especially under the arrangement of administration by a division of the commerce commission," the governor said.

"We first corrected the administration by establishing the present department of insurance with Ernest Palmer as director. The excellent administration of the department by Mr. Palmer is well known not only in the state, but throughout the nation. Insofar as possible the new code enables the correction of evils of the old system by changes of administrative methods. Stricter enforcement of the law, by the department under Mr. Palmer, proved more than ever the need for a new code and we began the work completed today.

"The new code is truly progressive and efficient legislation. Compact and shorter than the old laws, it is clear, concise and understandable. Every law in the code has been analyzed from every viewpoint and its authors, sponsors and the legislature are to be congratulated for the enactment of it."

Statement by Palmer

"With this code on the statute books, Illinois has the opportunity to become the safest state in the union insurance-wise, provided the people of this state accept the responsibility which is theirs, of seeing to it that the department of insurance continues through the years to function with a competent personnel free from political interference," Mr. Palmer said in a statement issued following the governor's action.

"The bill," Mr. Palmer stated, "was ably presented in both the house and senate and every member of the general assembly was given full opportunity through numerous hearings and much public discussion to learn that there are no jokers in it and that it is a sincere effort to improve the laws of Illinois for the protection of the policyholders and legitimate companies. In this regard the Illinois State Bar Association section on insurance law rendered invaluable assistance during the past two years.

No Partisan Issues

"No partisan issues were involved and the bill in the final analysis received practically unanimous support from the legislature, although obviously the successful outcome of four years' intensive study and effort is due primarily to Governor Horner's enthusiastic sponsorship and continued support.

"The code, while strict, is essentially fair and under proper administration will not arbitrarily restrict the initiative of private business because the code contains only that measure of control which experience has found to be necessary for the protection of the policyholders and their trust funds."

Read the *Casualty Insurer*. Sample copy 10c. A1946 Insurance Exchange, Chicago.

INDIANA FIRE UNDERWRITERS IN CONVENTION

(CONTINUED FROM PAGE 2)

one cause or another. It therefore behooves the alert field man to be acquainted with the best agents of companies other than his own in all communities where his company operates. They should know enough about other agencies to be able to make a selection of a new representative who is successful and would make an acceptable agent for their companies as emergencies arise which require replacements. Not to be thus prepared may mean serious loss of business during the inevitable transition periods.

Importance of salesmanship on the part of the local agent was emphasized. This is the prime factor of a good agent, he said. The agent who depends upon string pulling rather than salesmanship soon gets to the bottom of his bag of tricks. "There is only one way to get business," he said, "and that is by work, and it can't be gotten by pulling strings."

Credit Men's Cooperation

He spoke of cooperation now being accorded by the National Association of Credit Men toward the business. There is an urgent desire on the part of credit men throughout the country to know more about the protection of credit that can be afforded by other lines besides fire and windstorm insurance and he recommended that field men identify themselves with local and state associations of credit men. He indicated that the 22,500 members of the national body of credit men can be made valuable allies in the placing of much greater volumes of insurance in the allied fire and casualty lines than are now being written.

Credit men are impressed now more than ever before by the number of failures that have occurred among commercial and industrial firms as result of losses that could have been insured

against. He cited instances where judgments as the result of public liability claims had actually wrecked business enterprises that had previously been operating successfully.

H. M. Greenberg, general adjuster Western Adjustment, Chicago, followed Mr. Falls with an address on "Loss Adjustments." He pointed out the number of large fire insurance claims that are presented is small but that the companies are flooded with small claims, a large percentage of which are for amounts less than \$100. He said that these require handling and represent much home office expense. Many of these, however, should never be submitted and would not be if field men and agents would work together in eliminating many of these at the source. The reaction where a claim that obviously should not be presented is sent to the claim department of the company, simply to avoid antagonizing a customer by passing the buck to the company, is bound to be bad when it is returned denied. The hopes of the policyholder are disappointed and he is resentful. This is a point where expense and grief can be saved. Field men, by care in the making of inspections, can discover conditions which are apt to result in fire. Especially openings in walls should be looked for, he said, that might result in communicating fires. In many buildings joists are set in foundation walls so that fire can pass through such walls and as far as possible such defects should be discovered.

Alterations in buildings for the installment of heating systems and other services are sometimes left open and may mean the spread of fire later. Air-conditioning is new and popular and is apt to create fire hazards in risks that formerly were acceptable. Especially is air-conditioning a problem for fire

underwriters because of the use of motor fans to drive air through the ducts provided, which will likewise drive fire fed by wind-driven sediment throughout the building thus equipped.

He said that the best time to solicit for insurance is when a loss draft is being delivered. "Then is the time to push for full value insurance," he said, "and to sell new coverages as well. We see time and again evidence that loss drafts are mailed to insured. They should always be delivered in person." Agents should be questioned as to whether they see that insurance is restored after losses are paid.

M. O. Jones, president, presided at all sessions. In his opening address he recommended the association be incorporated under the non-profit association act as there would be certain advantages thus acquired. He also recommended appointment of a standing legislative committee. He spoke of faithful service that had been rendered for many years by the late Orla E. Green as secretary-treasurer of the association and recommended Miss Elizabeth L. Cooper be elected to that office. She had been temporarily appointed to this office by Mr. Jones, following death of Mr. Green.

Guests Are Introduced

Mr. Jones introduced a number of guests, including E. D. Hess, assistant western manager American of Newark; J. B. Tetlow, Illinois state agent; W. J. E. Webber, Indianapolis manager Western Adjustment; E. M. Jessop, manager at Evansville, Ind., and J. J. Spitzmesser of the Indianapolis office; E. J. Dunne, automobile department Glens Falls, Chicago; J. Hyfield, inland marine department Travelers Fire, Hartford; A. O. Andersen, superintendent automobile department, Fireman's Fund; C. F. Thomas, secretary and manager, and H. W. Cheslev, assistant secretary Western Underwriters Association; J. W. Kramer, assistant secretary Reliable Fire of Dayton; A. R. Monroe, retired president Newark Fire, and W. E. Ellis, special representative Royal-Liverpool group, Chicago.

Mr. Ellis spoke on "What the Business Development Program Has Accomplished" in which he traced in detail specific evidence of the favor with which this new activity is being received by agents as well as field representatives.

The annual meeting of the Indiana Field Men's Relief Fund Association was held after adjournment of the Fire Underwriters.

Events of Banquet

At the banquet Thursday evening, Prof. Clarence Manion of Notre Dame was toastmaster and put on a number of surprise speakers. J. W. Noble, on behalf of the association, presented retiring President Jones with evidence that a latest model radio was being delivered at his home in Indianapolis.

Golf prizes were presented to Edward Smaidginnis, T. R. Dungan, H. W. Cobb, D. J. Munro, R. J. Iekel, Edward Waltman, D. G. Kaga, J. J. Ronayne, F. C. Nelson, A. R. Graham, J. W. Besterman, Walter Polsz, F. S. Grahm. Winners of bridge prizes were Mrs. H. D. Johnson, Miss Elizabeth L. Cooper, Mrs. E. P. Ressler, James A. Bawden and Laurence E. Falls. Winners of horse shoe prizes were G. L. Heinz, Gus J. Daseke, Leslie Everson, R. O. Furgason and Irving Williams.

J. C. Johnson, Pennsylvania Fire, was elected president of the Indiana Field Men's Relief Fund, with Homer G. Meek, London Assurance, as vice-president, and John W. Noble, Security of New Haven, secretary-treasurer. Mr. Meek, Mr. Noble and George J. Burke, Scottish Union & National, were elected trustees.

Accident Business Is Good — for sales pointers read *The Accident & Health Review*. Sample copy 10 cents. Address A-1946 Insurance Exchange, Chicago.

Extensive Public Relation Work Is Urged in Wisconsin

(CONTINUED FROM PAGE 2)

said. This has been demonstrated frequently where new filings and new forms have been issued which are unsalable. Reference was made to the vacancy permit which was changed two or three times within a few months; that the supplemental contract is far from correct; the new tornado farm form is not satisfactory, and reporting forms do not, as yet, meet requirements.

In reporting for the public relations committee, Chairman Harvey Girard, Providence Washington, said that 37 counties in Wisconsin are now organized, and that organization work is being carried on in nine others. During the past year the committee has concentrated more on keeping the new boards functioning and maintaining interest among local agents, than on forming additional boards. He declared the benefits gained by the organization of county boards have proved to be of immense value. A number of field men have attended county meetings and some have appeared on programs.

A. G. Meredith, Fire Association, Oshkosh, reporting for the legislative committee, said that this session of the Wisconsin legislature had produced no drastic legislation harmful to the stock fire insurance business. He emphasized eternal vigilance. More members should attend legislative sessions at Madison when legislation on insurance matters is proposed and hearings are being held, he said.

State Fund Competition

C. W. Hutchinson, North British & Mercantile, chairman of the contact committee, reported that his committee has continued its study of state fund competition and has been successful in not only retaining public business for stock companies, but has in numerous cases been instrumental in regaining risks previously lost to the fund. Many requests are received from local agents for assistance and information in handling local problems of competition.

C. R. Street, vice-president of the Great American, spoke on public relations work. Clem E. Wheeler, associate general agent of the Hartford Fire, talked on insurance rules and laws and asked for closer cooperation.

Other company officials present included O. C. Gleiser, secretary, and H. W. Miller, secretary of the automobile department of the Commercial Union; F. C. Gustetter, vice-president Phoenix of Hartford, and E. G. Frazier, secretary western department Springfield Fire & Marine.

Henry Olson, Chicago, vice-president of the First Banccredit Corporation, explained the financing of fire premiums and how such a plan enables the sale of larger policies because the payments are spread over monthly installments, increasing the buying capacity of the insured.

D. O. Stine, formerly state agent for the St. Paul Fire & Marine, now retired, Reedsburg, Wis., was in attendance at the convention renewing acquaintances. In a brief talk he said it is so easy to get lost in the world and that he came back to the convention to find himself.

The annual dinner was followed by dancing. Prizes were awarded: Golf, W. W. Oak and D. W. Swanson tied for low gross; George Stetner won low net, and S. B. Wright, blind bogey. E. C. Hauser was horseshoe pitching champion. The annual soft ball base ball game was played between teams captained by E. S. Willman and B. F. Lutz.

The Wisconsin Women of the Blue Goose were in charge of the ladies' program. Mrs. H. C. Busack was chairman, and Mrs. Fred Edler, co-chairman. Mrs. H. J. Girard won the auction bridge tournament, with contract honors going in order to Mmes. D. W. Swanson, C. R. James, G. E. Stetner, George Hannon, C. H. Anderson and H. S. Omsberg. Mrs. Henry Olson took croquet honors. Attendance prize was won by Mrs. Max Weaver.

Check in
at **DeWitt**
REGISTERED HOTEL

In CLEVELAND it's
The HOLLANDEN

In COLUMBUS it's
The NEIL HOUSE

In AKRON it's
The MAYFLOWER

In TOLEDO it's
The NEW SECOR

For Your Winter Vacation
In MIAMI BEACH it's
The FLEETWOOD
An Exclusive Winter Resort Hotel

STABILITY

... what an essential characteristic in any institution having financial responsibilities! It breathes soundness, steadiness, constancy and solidity. It is the rock of security that weathers every storm. The Home has rendered dependable service since 1853.

THE HOME INSURANCE COMPANY NEW YORK

Strength

«»

Reputation

«»

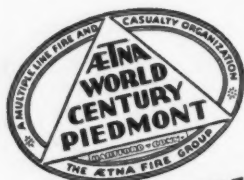
Service



What have sheep and goats to do with fire insurance?

Every fire insurance company that is wisely managed will refuse to cover bad risks, or people who have a record of carelessness with fire. It separates the goats from the sheep.

This careful selection of risks is one way that Old Line (stock company) organizations have been able to reduce the cost of insurance. It is one reason why you can have confidence in an Old Line company like Aetna.



THE AETNA FIRE GROUP

HARTFORD
CONNECTICUT

*Ever read your
fire insurance policy
Close up?*



THE AETNA FIRE GROUP

HARTFORD
CONNECTICUT

You ought to know exactly what is in it, particularly whether it makes you liable for assessment—in case the insuring organization needs extra funds. But if your policy is with an Old Line (stock) company, there is *no* possibility of assessment.

THESE ADVERTISEMENTS

*from recent issues of TIME, the weekly newsmagazine,
are reprinted by permission.*